

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

**

Paris, Thursday, November 2, 1995

No. 35,047

U.S. Takes Firm Stance On Troop Levels in Japan

Perry, in Tokyo, Emphasizes Bases Are Essential for Asia's Security

By Nicholas D. Kristof
New York Times Service

TOKYO — Defense Secretary William J. Perry apologized profusely Wednesday on behalf of America for the rape of a 12-year-old girl, allegedly by three American servicemen, as he tried to smooth relations with Japan in preparation for a summit meeting with President Bill Clinton later this month.

But Mr. Perry also repeatedly stressed that the United States opposed any reduction of its troop presence in Japan. He pricked balloon hopes in Okinawa that the furore might lead to the closure of a major base.

"It is possible to move troops from one base to another, and to consolidate and reduce the effects of their presence," Mr. Perry said in answering questions after a speech to the National Press Club. "But all of those adjustments must be made within the constraint of keeping a total of 47,000 troops in Japan."

Mr. Clinton's trip to Japan beginning Nov. 17 was supposed to bolster support for the military alliance between the two countries. But the rape in September provoked such rage that more Japanese than ever are asking if a military relationship with the United States is necessary at all.

Mr. Perry, however, delivered a blunt message to Japan: The bases are here for your good more than ours.

"We could locate our troops — all of our troops — back in the United States, but they would not serve the function," he said. "They would not serve the function of providing security and stability in the Western Pacific."

He added: "They are not located here because it is convenient for us to have them located here. They are located here because this is where they have to be to provide security in the Asia-Pacific region."

Without the troops, "Japan would be vulnerable," Mr. Perry said. He added that if it became necessary to use the American troops against an enemy, "you will be very glad that they are there."

Mr. Perry's admonition comes as part of a long campaign by American officials to build support for U.S. bases abroad in an age when there is no obvious enemy to defend against.

Japanese officials say privately that they desperately want to keep the American bases, but in public political leaders have been deafeningly silent about explaining the reasons for the American military presence.

As a result, the image presented on television here is that the United States is far more enthusiastic about maintaining the bases than Japan.

Mr. Perry met Wednesday with Prime Minister Tomiichi Murayama and other Japanese officials and agreed to set up a commission to explore ways to make adjustments in the U.S. military presence to reduce the burden on the public. But these adjustments almost certainly will not satisfy the mood in Okinawa.

At the beginning of his speech, Mr. Perry brought up the rape of the girl in Okinawa, the incident that more than anything else has galvanized opposition to the bases.

"On behalf of all members of the armed forces, I want to express my deep sorrow

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A woman urging peace Wednesday at a Sarajevo rally by mothers who have lost children in the war. They vowed to gather daily until an accord was reached.

Islamic Militant's Death: Will It Help Israeli Security?

By Barton Gellman
Washington Post Service

JERUSALEM — The assassination in Malta last week of a leading Islamic militant, widely attributed to Israel, has emerged thus far as a striking political success for the Jewish state. It drew next to no dissent at home and scarcely more among Israel's increasingly accommodating Arab neighbors, some of whom have their own troubles with armed fundamentalists.

Whether Israel's security improved with the death of Fahti Shiqqaq, the secretary-general of Islamic Jihad, is far less clear.

Islamic Jihad, which lost its leader on Oct. 26, now has a powerful incentive — if it needed one — to end a six-month hiatus in terror attacks. Early indications are that it could expand its fight against Israelis and their supporters outside Israel.

Islamic Jihad is a pan-Arab movement that emerged from the fundamentalist Muslim Brotherhood in the 1970s. In much of the Middle East it organized against what it saw as corrupt and secular Arab regimes, but its Palestinian faction, led by Mr. Shiqqaq, took the "Zionist Jewish entity" as its foremost foe. Allied with the better-known Hamas movement, Islamic Jihad is much smaller and devoted almost

entirely to suicide attacks against soldiers, Jewish settlers and Israeli civilians.

Although Mr. Shiqqaq had rejected all talk of a cease-fire with the Jewish state — he said in a television interview this year that "true peace means Israel does not exist" — his suicide bombers had not struck since killing seven Israelis and an American near the Gaza Strip settlement of Kfar Darom in April.

Few in Israel expect another half year to pass quietly. When a car bombing attributed to Israel killed the Islamic Jihad activist Hani Abed in the Gaza town of Khan Yunis in November 1994, it was less than a week before one of his fol-

lowers strapped on an explosive belt, pedaled a bicycle to a checkpoint and blew three Israeli soldiers to pieces.

Two months later came the costliest Islamic Jihad attack to date, a double suicide bombing at the Beit Lid junction in northern Israel that killed 19 Israelis and the two bombers.

Mr. Shiqqaq gave a series of gloating interviews after Beit Lid, and many commentators here said he thereby sealed his fate. Prime Minister Yitzhak Rabin warned those responsible in a televised address that week that Israel "will pursue you, and eliminate you, and no border will constitute an obstacle to us."

From what little evidence they left behind, the assassins who laid in wait for Mr. Shiqqaq came prepared.

They knew the Islamic Jihad leader had shaved his beard and donned a wig. They knew he carried a Libyan passport in an assumed name. They knew his usual hotel in Malta, the Diplomat, and the hours of his brief layover en route to Damascus.

The hollow-point ammunition they used, to maximize the damage of his wounds, was hardly needed: According to police reports made available by telephone from Malta, at least three shots from a silenced 9mm pistol struck Mr. Shiqqaq in the head. The assassins, or a clean-up crew that followed, left no spent cartridges and no fingerprints on the motorcycle with stolen plates that sped them to a seaborne getaway.

The political fingerprints, even so, were plain to nearly everyone who experienced an opinion.

Israel's government, though formally declining to confirm or deny its involvement, did everything but wink to imply as much.

The killing of Mr. Shiqqaq is highly popular here, and, perhaps more notably, not unduly unpopular in the Arab world. The killing barely disturbed this week's Aramaic, Jordan, economic conference, a kind of regional coming-out party for Israel.

A Hamas spokesman said it would not impede their reconciliation talks with the Palestine Liberation Organization leader, Yasser Arafat.



Palestinians thronging the funeral near Damascus Wednesday of Fahti Shiqqaq, the Islamic Jihad leader slain in Malta.

Boot Camp for Seattle Schools

Ex-General Takes Charge: 'I Will Not Fail'

By Timothy Egan
New York Times Service

SEATTLE — When John Henry Stanford, a retired army general who is Seattle's new school superintendent, took the podium for his first meeting with administrators, there was considerable anxiety among the school brass.

Some were expecting an order to drop to the floor and pound out 25 push-ups. Others wondered whether a non-educator like General Stanford would have the slightest idea how to run a big-city school system.

But then General Stanford, standing with his chest puffed out, surprised the assembled school officials. From now on, he said, the administrators would be working their normal jobs on four-day weeks instead of five. "Four-day weeks! There were signs of relief.

"And on the fifth day," General Stanford added, "you will all be going to the schools and working in the schools in some capacity."

It has been that way for two months now, a

surprise a day, as the man who was once in charge of moving troops and equipment to the Gulf region in 1991 was tries to save a public school district where the middle class has not given up — yet.

For starters, General Stanford has suggested that all public school children wear uniforms, that parents be graded with report cards on how well they encourage their children, and that anyone associated with a gang be denied a driver's license.

He says the corporate community has far more at stake in public schools than they do in any quarterly business report. And he wants to restore the system of forcing children who perform poorly to repeat the school year.

As a retired black general, the son of parents who did not finish grade school, General Stanford has drawn inevitable comparisons to Colin L. Powell, his longtime friend. Both men are products of the new military, more a meritocracy than a spoils system. And both have been offered high-paying

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It's History in the Unmaking

U.S. Students Oblivious to Past, Study Finds

The Associated Press

WASHINGTON — More than half of American high school seniors lack basic knowledge of U.S. history, according to a national assessment made public Wednesday.

And they are unable to use their spotty knowledge to reason, analyze or back up opinions, the study by the National Assessment of Educational Progress found.

William T. Randall, Colorado's education commissioner and chairman of the board that oversees the assessment program, called it a "strikingly poor performance" that he said "indicates a major problem in how history is taught and learned — or not learned — in American schools."

The scores, which come just two months after Education Secretary Richard Riley pointed to improvements in other test results and declared that U.S. education was "on the right track," are certain to intensify political debates over the quality of America's schools.

Mr. Riley noted the history test's difficulty and tough grading scale, used by the assessment pro-

gram, an independent citizens' board established by Congress.

"It's a tough test — much more rigorous than what most students are used to seeing in school," Mr. Riley said.

The test used a 0-500 point scale with achievement ranges denoted as either basic, proficient or advanced. A high school senior had to score 294 to reach a rating of basic in history. But in the 1994 geography test, a score of 270 was enough for basic, Mr. Riley noted.

But Mr. Randall said that there should be higher standards for history because the American system of democratic government depends on knowledgeable citizens to survive.

The test, given in early 1994 to a national sample of 22,500 fourth-, eighth- and 12th-graders, found that among 12th-graders, only 43 percent attained at least the basic level, while 61 percent of eighth-graders and 64 percent of fourth-graders attained

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See GENERAL, Page 6

'Greater Serbia Lite' / Milosevic as Peacemaker

Serbian President Now Craves Respectability

By Roger Cohen
New York Times Service

BELGRADE — Slobodan Milosevic, the Serbian president, is often to be found padding through the cavernous presidency building in Belgrade, alone except for a single faithful aide. "He's the only person you ever see there," said an American official who has conversed a great deal with Mr. Milosevic of late. "It's eerie the way he rattles around the building. Once he wandered into a side room and muttered about never having been in it before. Sometimes you ask yourself: Is there anyone else in this country?"

It is a pertinent question to ask eight years after Mr. Milosevic seized power by exhorting Serbs to rise against perceived past injustices and create a "Greater Serbia."

Now, four years after the wars of Yugoslavia's destruction began, Mr. Milosevic stands alone. He seems close to the end of a labyrinthine political journey that has left his ragtag band of former nationalist allies and his former country devastated.

What remains is one man's almost uncontested personal power in Serbia, and his remorseless quest for the renewed international respectability that would vindicate him.

Mr. Milosevic's visit to the United States for the peace talks that started Wednesday near Dayton, Ohio, brings the Serbian president, cast in the role of peacemaker, closer than ever to that goal.

But even as he emerges from isolation, that of jutting jaw and shifting tactics seems haunted by his past.

Like shadows, the wars of Croatia and Bosnia, their bloodshed and their atrocities, keep darkening his path, even as he charms dignitary after dignitary with good humor, good English and apparent goodwill.

Most recently, the dignitary was Richard C. Holbrooke, the assistant secretary of state who is chief American envoy to the Balkans; the atrocities were those that are reported to have been carried out in northwest Bosnia by Zeljko Raznatovic, the Serbian paramilitary leader known as Arkan.

From Oct. 6 to 12, half of an estimated 2,000 Muslim men who had been detained in the area were killed. Mr. Holbrooke's question was simple: Can't you control Arkan?

The response, American officials said, was outrage. Not only could he not control Arkan, Mr. Milosevic insisted, but the paramilitary leader also would probably kill him if he had a chance.

"Arkan is my sworn enemy," an official quoted Mr. Milosevic as saying.

The case of Arkan is, however, difficult to reconcile with Mr. Milosevic's claims. An intelligence report carried by Mr. Holbrooke, for example, showed the fighter's ties to the Serbian government, saying that Arkan was already in the employ of the Serbian security services in the late 1980s.

But Mr. Milosevic is a persuasive man. He exudes power; he wants peace now; he likes America. He can also be witty. When an American official recently asked about Russian "humanitarian aid" for Serbia, Mr. Milosevic scored: "Humanitarian aid? You mean some meat we had to bury because it was radioactive and some biscuits manufactured in 1969?"

Robert Frasure, the American diplomat who died in an accident near Sarajevo in August and dealt extensively with the Serbian president, once said he was reminded of "a

Mafia boss who desperately wants to get out of the business."

Mr. Milosevic has been trying since mid-1993 to put the tidal wave of Serbian nationalism he rode to power and the accompanying destruction of Yugoslavia behind him. His conclusion that diplomacy could achieve his ends — described by one American official as "Greater Serbia Lite" — is what now makes him central to American diplomacy.

"He now sees Serbia as a prosperous little eastern gateway to Europe, and he needs peace to secure that," said a Western diplomat.

Over the last several months, moreover, Mr. Milosevic has delivered. He has forced the Bosnian Serbs to line up behind him and begin serious peace negotiations. And American officials say he has promised that, in the event of a peace, elections would oust the Bosnian Serb leader, Radovan Karadzic, and the Serbs' military leader, Ratko Mladić, would be removed.

The removal of these men, closely identified with the massacre of Muslims, is almost certainly vital if any Bosnian peace is to be stopped?

Moreover, Mr. Milosevic's recent compliance, like many other tactical switches in his career, begs the question of what he believes in and to what extent he is believable.

He was born in the provincial town of Pozarevac, about 80 kilometers (50 miles) from Belgrade, the son of an Orthodox priest who committed suicide when his son was 4. His mother was a schoolteacher who committed suicide several years later.

Mr. Milosevic, earnest and energetic, embraced communism early and rose through the ranks, hitched to the coattails of Ivan Stambolic, the leader of the Serbian Communist Party, whom he ultimately humiliated and deposed in 1987.

The vehicle for this humiliation, and for Mr. Milosevic's own apotheosis, was Serbian nationalism. He discovered its force, and potential political rewards, in Kosovo in April 1987.

In a stand-off between the Serbs of the then-autonomous region and the ethnic Albanians who account for 90 percent of Kosovo's population, Mr. Milosevic abruptly shed the dour garb of the apparatchik to side with the Serbs against the mainly Albanian authorities of his own party.

Film of this critical moment shows Mr. Milosevic hesitating before the Serbian crowd, then ditching his past, thundering to the ecstatic crowd of Serbs: "Nobody has the right to beat you!"

Having sensed his opportunity, Mr. Milosevic moved fast. Medieval battles, the relics of Serbian kings, the sacrifices of Serbian



Mr. Milosevic, left, with Mr. Holbrooke at an Ohio air force base before Balkan peace negotiations. (Paul J. Richards/Agence France-Presse)

soldiers in two world wars, the alleged injustices endured by Serbs in Tito's Yugoslavia, all suddenly became grist for the nationalist mill.

When tens of thousands of Serbs, appalled by the increasingly hate-filled propaganda on state-controlled news media, tried to protest in the streets of Belgrade in 1991, Mr. Milosevic crushed them with tanks.

He eliminated the autonomous status of Kosovo and Vojvodina and brought them under direct Serbian rule. Serbia, the refrain went, would no longer be humiliated. The motto of his Communist-turned-socialist party was: "Serbia does not kneel."

But much of the rest of Yugoslavia — what is now Bosnia-Herzegovina, Croatia, Macedonia and Slovenia — took flight, leaving only Montenegro and Serbia in the Federal Republic of Yugoslavia. Indeed, perhaps the deepest paradox of the Serbs' argument that they have fought in the last four years only because they wanted to remain in Yugoslavia is that Mr. Milosevic almost certainly did more than anyone to destabilize the country and set it on its course to implosion.

Another paradox is that the very right the Serbs have claimed — that of their people in Bosnia and Croatia to govern themselves — was precisely the one Mr. Milosevic denied to the ethnic Albanians of Kosovo.

Moreover, it has become clear that Mr. Milosevic's real interest in preserving Yugoslavia was slight. When Slovenia seceded on June 26, 1991, it was allowed to go with scarcely a fight: there was no Serbian minority there. The real aim, as a senior presidential aide, Borislav Jovic, recently explained, was to use war in Croatia and Bosnia to take the Serbian-occupied areas and so forge a Greater Serbia.

In extensive interviews with the BBC for a documentary on the destruction of Yugoslavia, Mr. Jovic, now vice president of Mr. Milosevic's Serbian Socialist Party, said that in April 1991, more than two months before war broke out in Croatia, "We decided to change tactics — we would deploy troops in Serb areas of Croatia, the Croats would provoke war, and we would then take those territories."

The same tactics were used in Bosnia, where war broke out in April 1992.

"We knew that when Bosnia was recognized, we'd be seen as aggressors because our army was there," Mr. Jovic said. "So Milosevic and I talked it over, and we realized we'd have to pull a fast one. We transferred all the Bosnian Serbs in our Yugoslav Army to their forces and promised to pay all their costs." Thus was an extremely well-armed Bosnian Serb force created.

He results, in the end, have been disappointing. The war in Croatia has effectively been lost, and the war in Bosnia is going against the Serbs.

Serbia lies in economic ruin and hundreds of thousands of Serbs are refugees. Moreover, because Mr. Milosevic has resorted to irregular forces to disguise his hand in the wars, Arkan and other paramilitary groups have been a freer hand.

"Any assessment of Milosevic must conclude that he has been immensely destructive, to his own people and to others," said Zarko Korac, an opposition politician. "The world now wants to see him as a pragmatist, but it is destructiveness that, up to now, seems to distinguish him."

The Serbian president is also a survivor. His overwhelming control of the police and press has ensured that, as has his ability to convince foreign diplomats that he constitutes the ineluctable road to peace.

"He's so easy to deal with compared to the Bosnian government," said an American official. "He's charming and decisive."

Sometimes we have to remind ourselves that with Milosevic we are dealing with a compliant dictator, whereas in Bosnia we are dealing with a muddled, fledgling democracy."

COMING UP

Israel, with its reputation for a tough, well-equipped and serious army, is facing a new phenomenon that has attracted the attention of surviving pioneers and older veterans: soldiers who sob in public.

Aid to Palestinians

Is Put in Danger

Helms Blocks Financing In Feud With State Dept.

By Thomas W. Lippman
Washington Post Service

announced that Jesse Helms, the North Carolina Republican who heads the Senate Foreign Relations Committee, was blocking the request.

Mr. Helms thus added Palestinian aid to the 18 ambassadorial nominations and two major arms control treaties he is holding up because Democrats have blocked a Senate vote on his plan to eliminate some foreign policy agencies and reorganize the State Department.

Mr. Helms wants Senator John F. Kerry, the Massachusetts Democrat who is the Clinton administration's surrogate on this issue, to offer a compromise language acceptable to Mr. Helms and to allow a vote on his reorganization plan without threat of a Democratic filibuster. Without such an arrangement, Mr. Dole said, there will be no extension.

"I know the secretary of state is concerned that a delay in extending the act could be read as lack of support for the Middle East peace process," Mr. Dole said. "I share that concern, but I am also concerned that we have an administration that refuses to deal responsibly with Congress."

Mr. Dole said Mr. Helms was "completely within his rights" to hold up the measure and noted that aid to the Palestinians was included in the Helms reorganization measure that the Democrats blocked.

A State Department spokesman, Nicholas Burns, said it was "harmful to the national interest and irresponsible" to link the Middle East aid extension to the reorganization bill.

The United States pledged to contribute \$500 million over five years, with the level for fiscal 1996 at \$75 million to \$100 million, officials said. It is not clear how much of that amount is in jeopardy because much of the U.S. contributions goes to organizations not directly affiliated with the PLO.

TRAVEL UPDATE

Iberia Pilots Begin Series of Strikes

MADRID (AP) — Spain's troubled Iberia airline canceled up to 300 flights Wednesday as pilots staged the first of eight 24-hour strikes this month to protest what they contend is company mismanagement.

The strike, to be repeated Nov. 2, 5, 6, 9, 10, 13 and 14, meant only about 130 flights were to be carried out Wednesday.

SAS Shutdown Appears Imminent

STOCKHOLM (AP) — Mediators are pessimistic about reaching agreement with Scandinavian Airlines System's Norwegian and Swedish cabin crews, who have threatened to strike Thursday and Friday, a Norwegian mediator said.

In an interview Wednesday with the Swedish daily Svenska Dagbladet, Reidar Webster said the sides were still far apart.

Delta Offers Olympics Discounts'

ATLANTA (AP) — Delta Air Lines began offering long-promised discount tickets Wednesday to the 1996 Olympic Games in Atlanta, but some of the fares cost more than twice as much as the lowest fare the airline is offering for the same routes.

For instance, Delta's discount round-trip Olympic fare from Chicago's O'Hare International Airport is \$370. But one Atlanta-based travel adviser said the lowest fare to Chicago is \$118 round trip, with restrictions.

A Delta spokesman said the current discount fares were "sale fares" to stimulate travel during slow periods, and the Olympics would not be a slow period — especially for Delta, the official Olympic airline and the primary carrier at Hartsfield Atlanta International Airport.

With the peace process bringing record numbers of visitors to the Holy Land, leaders of the international hotel industry predicted Wednesday that the region as a whole would become an increasing attraction.

Kuwait Airways reopened its Copenhagen-Kuwait route Wednesday, after a 13-year hiatus, the airline announced in Copenhagen.

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THE AMERICAS

POLITICAL NOTES

CLA Criticism Stops Short of Top

WASHINGTON — The CIA director, John M. Deutch, has publicly criticized six former CIA officers and one current employee for their roles in allowing tainted information from Soviet double-agents to go to top officials in recent years, an intelligence failure that he called "devastating," "inexcusable" and "harmful" "for years and years" to come.

Because of the debacle, Mr. Deutch told two congressional oversight committees that he was taking steps to "reconstruct" the CIA's clandestine service "to rebuild confidence in its integrity." But he stopped short of holding three former CIA directors accountable for the lapse, as recommended by the CIA inspector general in a report given to Congress.

Mr. Deutch's position on the former directors drew opposition from Senator Bob Kerrey, Democrat of Nebraska and deputy chairman of the Senate intelligence committee. He berated the three former directors — William W. Webster, Robert M. Gates and R. James Woolsey — for asserting they should not be held responsible because they did not know the sources for the planted information were questionable.

Mr. Kerrey said at a news conference that the three men "should have known" that CIA officers were passing questionable reports to the president and other top officials in the late '80s and early '90s.

Mr. Deutch gave the House and Senate intelligence committees briefings about the results of an 18-month inquiry assessing the damage caused by the confessed spy Aldrich H. Ames. The Soviet KGB used Mr. Ames's information on U.S. intelligence methods "to pass carefully selected 'feed' material to this country" through controlled agents, Mr. Deutch said in a prepared statement.

Senator Arlen Specter, Republican of Pennsylvania and chairman of the Senate intelligence panel, said that one now-retired CIA officer approved sending 16 different reports to U.S. officials "without telling them the sources were controlled by the KGB." He said U.S. officials may have taken into account that information when they were "making purchases of military equipment with vast sums involved."

In his prepared statement and in comments to reporters after the closed hearings, Mr. Deutch did not describe the planted information. But he did say that the breakdown was serious. "It is a devastating record that will take us years and years to recover from," he said. "It is an inexcusable lapse in elementary intelligence practice."

The report by the inspector general, Frederick P. Hitz, traced who was responsible for the lapses. He recommended that 12 individuals be held accountable. Mr. Deutch, without naming any of the individuals, said he would have fired two now-retired CIA officers and reprimanded four others. He also said he had reprimanded the one officer still employed by the CIA (WP)

Senator Apologizes to Clinton

ADA, Oklahoma — Senator James M. Inhofe has apologized for calling President Bill Clinton an "idiot." "It was a very poor choice of words and I apologize," the Oklahoma Republican said from his Washington office.

During a speech in Ada, Oklahoma, he criticized Mr. Clinton's plan to send troops to Bosnia. "This man, this idiot in the White House, has some deep-seated obsession with sending our young men and women into Bosnia," he said. "When polls show most of the country is against the idea, and everybody knows hundreds of them will die."

Quote / Unquote

Lauren Sims, spokeswoman for Newt Gingrich, staking out the House speaker's position before negotiations on terms for extending the debt limit: "He is not going to budge." (NYT)

High Court To Weigh Ban on Ads

The Associated Press

WASHINGTON — The Supreme Court took up a free-speech dispute Wednesday that could wipe out President Bill Clinton's effort to limit cigarette advertising.

As the court considered a challenge to Rhode Island's ban on liquor-price advertising, several justices voiced concern over what upholding the ban might mean for government's regulatory power over other potentially harmful products.

"Is your product special?" Justice Stephen G. Breyer asked Rhode Island's lawyer, Rebecca Partington. "Is there a stopping point?"

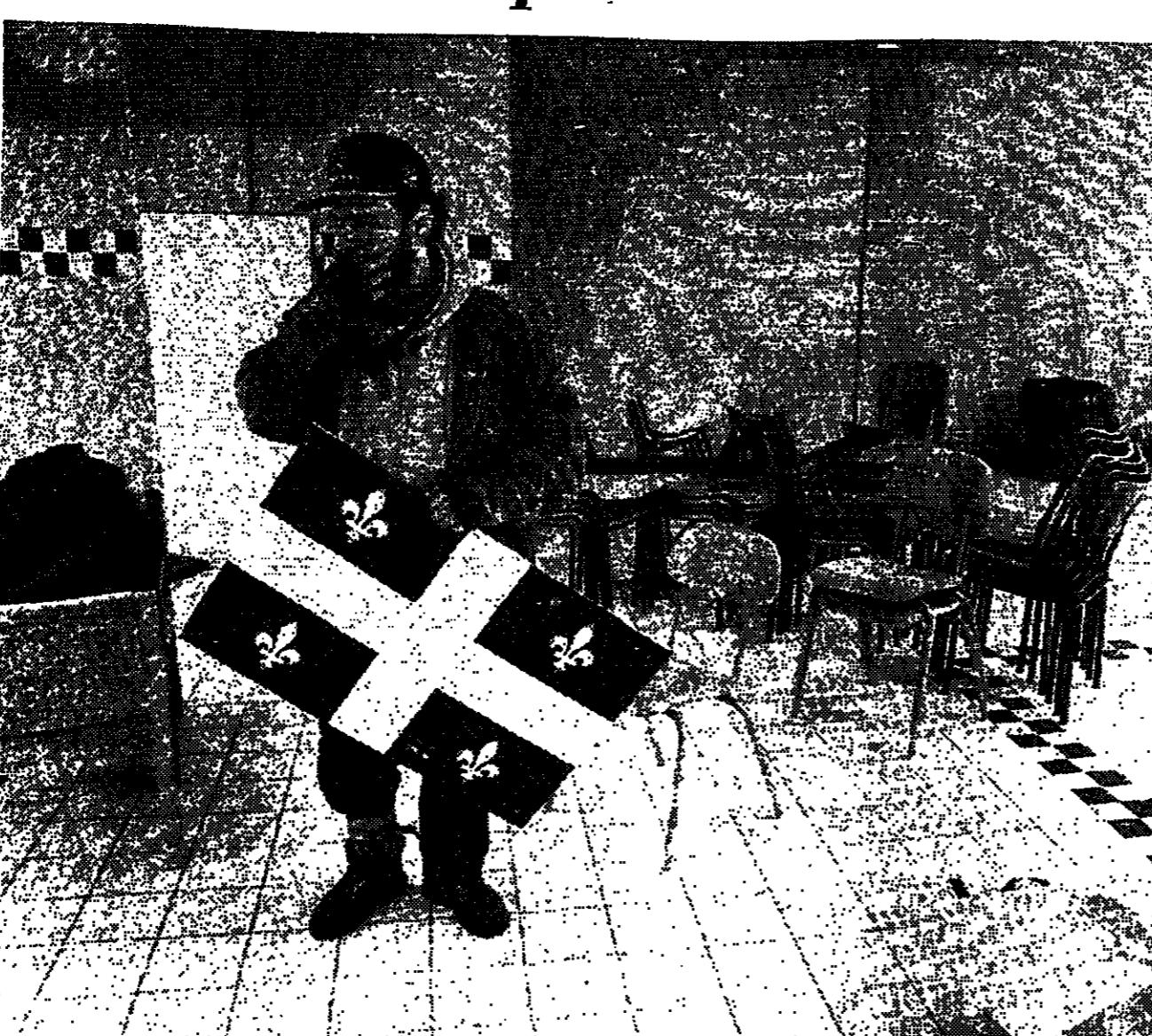
The court's decision, expected by July, could clarify the federal government's authority over cigarette advertising. Mr. Clinton and the Food and Drug Administration have proposed rules that would forbid cigarette brand advertising at sports events and on T-shirts and other goods.

Away From Politics

• The most likely cause of the May crash of an F-117A Nighthawk stealth fighter in New Mexico was a fault in the automatic pilot system that disoriented the pilot, Jane's Defense Weekly reported, quoting a U.S. Air Force report. (AP)

• The president of the Yonkers, New York, branch of the NAACP, Kenneth Jenkins, has been suspended by the national organization's leadership for declaring that court-ordered busing for the city's 23,000 children had "outlived its usefulness."

• The government knew in advance about the plot to blow up the Oklahoma City federal building, a former member of the grand jury investigating the bombing said in an interview with Media Bypass, a magazine with ties to anti-government militias.



A supporter of the secessionist movement holding the Quebec flag at a campaign office in Montreal after the voting.

By Clyde H. Farnsworth
New York Times Service

MONTREAL — The resignation of Premier Jacques Parizeau of Quebec, leader of the separatist Parti Québécois, raised questions Wednesday about the direction of the separatist movement following its narrow loss in an independence referendum.

Mr. Parizeau's surprise announcement Tuesday — after an outcry about his bitter comments the night before, blaming "money and the ethnic vote" for the loss — only underscored the divisive legacy of the vote.

Instead of resolving the issue of Quebec's future, the bare victory by those who want to preserve the Canadian union has led some separatists to vow to work all the harder for independence. But some of his own supporters attacked Mr. Parizeau for his efforts to blame immigrants and outside money for the loss.

"He clearly misrepresented what the sovereignty movement stands for," said Alain Noël, a political scientist at the University of Montreal, who voted for separation. "The modern sovereignty movement is broad, territorial, liberal, pluralistic and multicultural. It is definitely not anti-ethnic."

[On Wednesday, Lucien Bouchard, leader of the separatist Bloc Québécois in the Ottawa Parliament, indicated that he might seek the post left vacant by Mr. Parizeau, Reuters reported. "I don't know, but I'm thinking about it," Mr. Bouchard said.]

One thing is certain: Prime Minister Jean Chrétien now must seek ways to mollify the people of Quebec — half of whom voted for a new order — by giving them greater autonomy that will be acceptable to the rest of the nation.

Alain Gagnon, a political scientist and director of Quebec studies at McGill University, said federalists must take the warning of a new referendum "in a very serious way."

"If they want Quebec to stay in the federation," he said, "they must deliver on constitutional changes giving Quebec more autonomy."

A number of federalist leaders urged quick action to meet the Quebec demands for constitutional renewal.

"Canada has a chance to rebuild," said Jean Charest, leader of the small Conservative Party, a Quebecer who played a key role in the federalist victory.

If Mr. Parizeau's reputation was diminished by the referendum, Mr. Charest did not come through the ordeal unscathed. Until recently he had been telling the country that his home province would never vote to leave Canada. He

emerged from the referendum not as the man who saved Canada but as the man who almost lost it.

His leadership has been "curious," said Edward Greenspon of The Globe and Mail in Toronto, "for his sure com-

mand of Canada East and West of Quebec, but his uncertain grip on Quebec itself."

Although Mr. Parizeau said he had been prepared to leave if the referendum failed, he was widely condemned for his concession speech. Nearly 20 percent of Quebec's voters do not use French as their main language. Most ethnic groups voted heavily against separation.

The referendum result — in which 50.6 percent voted against secession and 49.4 percent for, with a mere 53,498 votes dividing the two — was seen as pointing up a profound desire for change in the province that represents a quarter of Canada's population

and a sixth of its area. Fifteen years after a similar referendum, the separatist option has attracted 60 percent of the French speakers. In 1980 it

drew less than 50 percent. Eighty of 125 Quebec electoral districts were on the separatist side this time, compared with only 22 in 1980.

Hearden by their showing, separatist leaders said they were ready to press for a new referendum in the near future.

But the separatists also risk a backlash, since many people are tired of the referendum debate,

which has divided families and

neighborhoods, and they may

not welcome another exercise

in divisiveness so soon.

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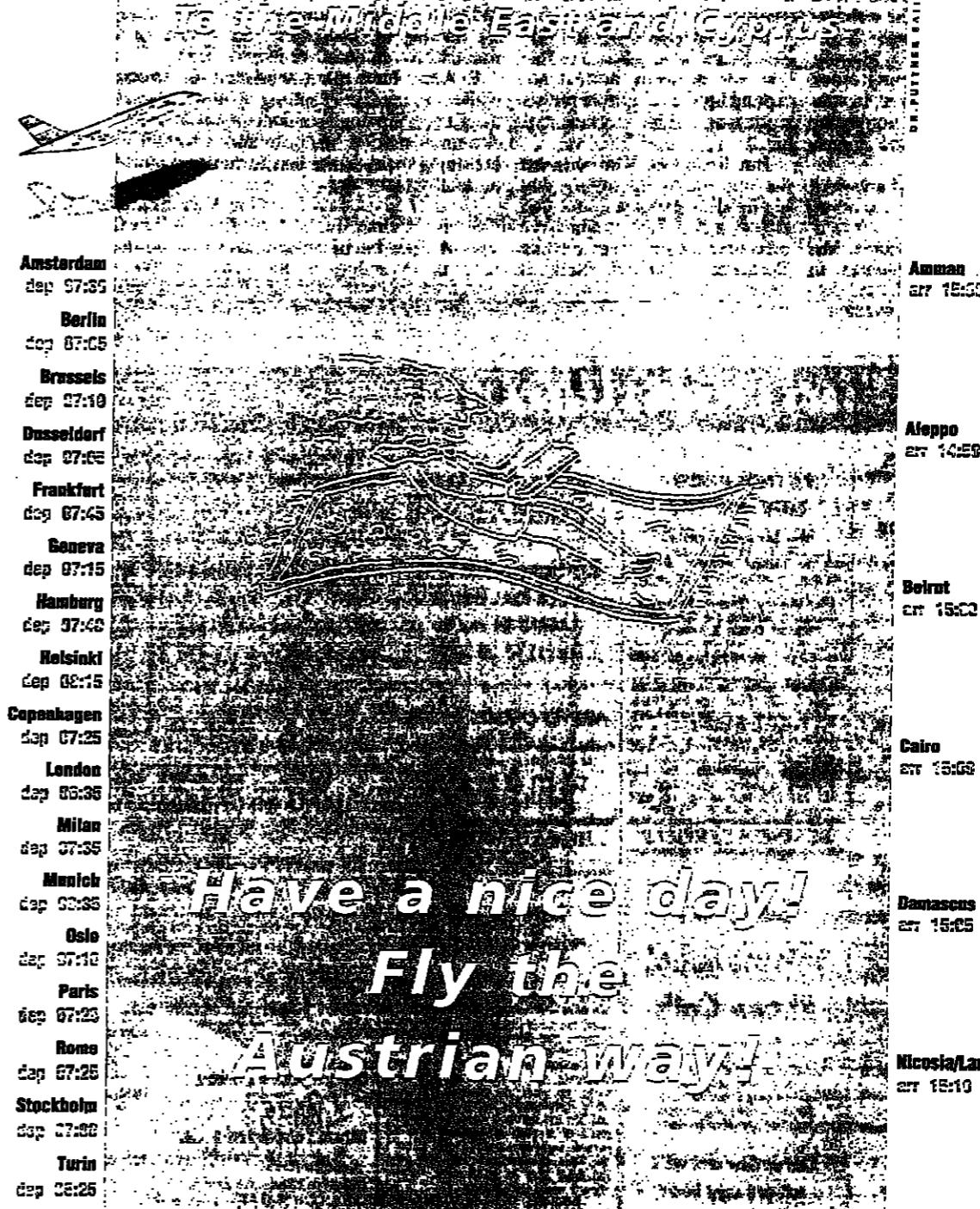


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EUROPE

Socialists In Bonn Say EMU Can Wait

C. copied by Our Staff From Dusseldorf

FRANKFURT — Keeping alive the debate on plans for European monetary union, the leader of Germany's main opposition party says economic stability is more important than any timetable for the introduction of the common currency.

The leader, Rudolf Schäping, said in an interview Wednesday in the mass-circulation newspaper Bild that his Social Democratic Party was not trying to scuttle plans for the monetary union.

"The currency union is in Europe's and Germany's interest," Mr. Schäping was quoted as saying.

"But it needs a sound economic basis and as many participants as possible."

Mr. Schäping made similar remarks over the weekend, saying economic stability was more important than the 1999 deadline for merging European Union currencies.

Earlier warnings by Mr. Schäping had been sharply criticized by Chancellor Helmut Kohl's government, accusing him of "cheap populism" for fanning fears of giving up their strong mark. Mr. Schäping also raised the prospect of bringing back his arch-rival, Gerhard Schröder, to bolster the Social Democrats' flagging ratings after scores of members signed a call for unity.

Mr. Schäping dismissed Mr. Schröder, the charismatic and ambitious premier of Lower Saxony, as the party's economics spokesman in August after he said the distinction between Social Democratic and conservative economic policies was out of date.

"I have already said that I am against any policy of exclusion," Mr. Schäping told a weekly, *Die Woche*.

Mr. Schäping's remarks came after scores of leading Social Democrats published an appeal Tuesday under the title of "Germany needs a strong SPD." It called for the party to concentrate on shaping the post-Cold War political landscape.

Heide Simonis, the premier of Schleswig-Holstein state, who is sometimes mentioned as a possible successor to Mr. Schäping, joined the calls for Mr. Schröder's reinstatement in a newspaper interview published Wednesday.

"I would like to see my colleague back in the team," she told the *General Anzeiger*, adding she hoped the party conference would be a tempestuous affair. "I would like to see a really good row. We need a storm to clear the air."

Ms. Simonis, Mr. Schäping, and Mr. Schröder have all found common ground in the last few days warning of the possible dangers of European monetary union. The SPD is promising to make this its chief issue in the 1998 national elections. (AP, Reuters)



PRAGUE PROTEST — Czech doctors rallying Wednesday during a one-day strike by thousands to demand higher pay and revisions in the country's health system.

Tough Question in Britain: What's a Prison For?

By Erik Ipsen
International Herald Tribune

LONDON — Two weeks after the release of a scathing report on the state of the prison system in England and Wales, a fierce debate has broken out over how badly run the system's 130 facilities are — on that there is little disagreement — but over how and even why it should be run.

On one side stands Sir John Learmonth, sent by the government to report on the prison system after the breakout of three inmates from the maximum-security Parkhurst prison in January. His examination unearthed "a chapter of

errors at every level and a naivete that defies belief."

Those were enough to force the dismissal of the head of the prison service, but not of his boss, Home Secretary Michael Howard. In a bravura performance in Parliament two weeks ago, Mr. Howard plucked his neck from the noose many had all but assumed inescapable.

Rough political justice having been done, attention has shifted to the Learmonth report's surprisingly contentious recommendations. Most troubling, critics of the report say, is that many of the recommendations threaten the imposition of an American-style lock-em-up-and-throw-away-the-key approach.

"Yes, there have been amazing security lapses, but there is a danger that things will now simply swing from one extreme to the other," said Stephen Shaw, chairman of the Prison Reform Trust.

Prison reformers, and many who work within the service, insist that Britain's approach, which emphasizes prisoners' rights, education and rehabilitation as well as security, must endure. Prison escapes, they note, have declined 70 percent over the last three years.

And besides, said Judge Stephen Tumim, the chief inspector of prisons. "The vast majority of prisoners are not very dangerous."

Repeatedly the concern expressed in the Learmonth report of a need for greater security collides with what many experts contend are the traditional tenets of a humane approach. A case in point is the report's reaction to the finding that the three inmates who escaped from Parkhurst on the Isle of Wight did so with items — including a metal ladder and a key — that they had crafted in the prison's shops.

The report concluded that such shops should be carefully controlled and monitored or, in the case of welding, eliminated. But many say that these recommendations mark a step back into the penal dark ages.

The Learmonth report chastises the prison service for the often chaotic conditions in visiting rooms. There, except in rare cases, no physical barriers exist between the inmates and guests.

"Staff at one establishment told of their embarrassment and that of other visitors when, on one occasion, the full sex act was performed," the report said.

To forestall embarrassment

BRIEFLY EUROPE

Hungarian Neo-Nazi Trial Opens

BUDAPEST — The head of Hungary's main neo-Nazi group launched into an anti-Semitic tirade Wednesday at the opening of his trial on charges of inciting hatred.

"We object to the fact that Jews are disproportionately represented in Hungarian culture, politics and media," Albert Szabo told the court, using rhetoric similar to diatribes that got him into legal trouble.

Mr. Szabo, 40, is the leader of the neo-Nazi Hungarian People's Welfare Federation. Standing trial with him is Istvan Gyoerkos, 55, another leading figure in Hungarian neo-Nazi circles. Five juveniles, whose names are not being made public, also are on trial. (AP)

Youths Rampage in Paris Suburbs

PARIS — Youths attacked shops, cars and a police station overnight in flare-ups of violence that have become a nightly occurrence in the suburbs of the French capital, the police said.

They said that about 50 youths armed with iron bars and baseball bats damaged several shops and 30 cars in Vigneux-sur-Seine after a march to demand the opening of a gymnasium. A police station and a children's day care center came under attack in a separate incident in Evry. (Reuters)

Swiss Party to Press EU Approval

BERN — Switzerland's Social Democrats, flush from record gains in the October general election, plan to use their newfound weight to press their divided conservative coalition partners toward joining the European Union.

The president of the Social Democratic Party, Peter Bodenmann, said an alliance with pro-EU figures among moderate conservatives could win over a clear majority of the skeptical Swiss, who rejected a European pact in a 1992 referendum.

"This is our party's position, which we will now present with

added weight thanks to the election victory," Mr. Bodenmann said late Tuesday. (Reuters)

Paris Housing Fray Shifts to Judge

PARIS — The head of a French administrative court that rejected a lawsuit over President Jacques Chirac's rented Paris apartment lives in a low-rent city-owned housing, the satirical weekly *Le Canard Enchaîné* said Wednesday.

The newspaper said that Judge Roland Vandemeersen paid only 3,600 francs (\$720) a month for his 80-square-meter (860-square-foot) apartment in a sought-after Left Bank district. It quoted Judge Vandemeersen as saying that living in subsidized housing "has not prevented me from amending several decisions made by the City of Paris in the past." (Reuters)

A New Czech Radio Venture

PRAGUE — Radio Free Europe and Czech Radio will start a joint operation next week, officials announced Wednesday.

The station, CRO 6/RFE, will start broadcasting Monday, with Voice of America, BBC and Deutsche Welle also contributing to its programs, said Pavel Pechacek, the station's chief. (AP)

Calendar

European Union institutions are closed Thursday for the All Saints public holiday, but some commissioners are working abroad.

NEW YORK: Commissioners Sir Leon Brittan and Christos Papoulias sign Euratom/U.S. pact.

LONDON: Environment Commissioner Ritt Bjerregaard visits.

Sources: Agence Europe, AFP

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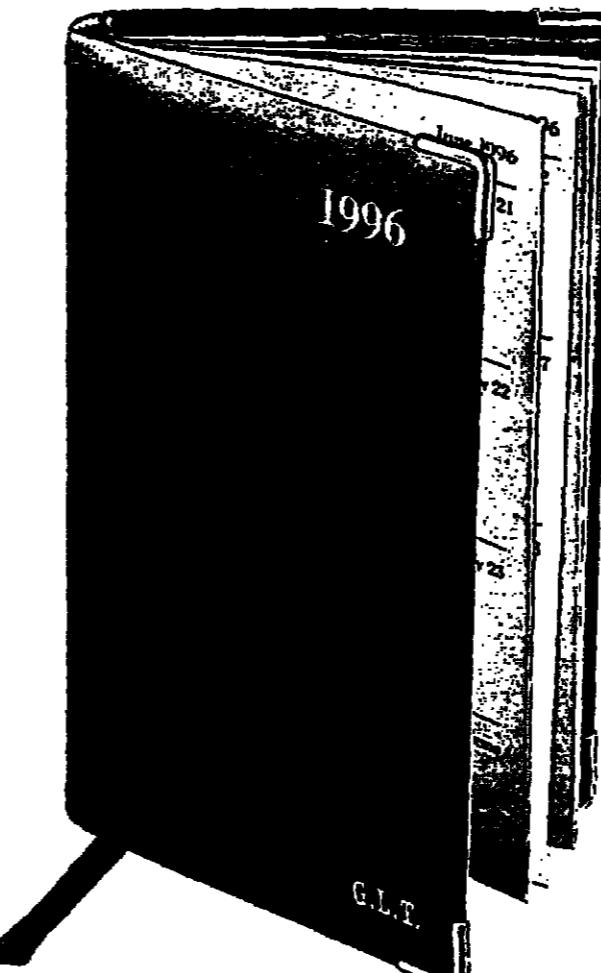
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Paris Suspects Terrorists Trained in South Asia

Agence France-Presse

ISLAMABAD, Pakistan — French authorities believe that the suspects in a wave of terrorist bombings in France traveled to Pakistan and Afghanistan for training in handling explosives, sources here said Wednesday.

The suspects, the police believe, are young Frenchmen of North African origin who traveled to the region to receive Muslim fundamentalist indoctrination and training in the use of guns and explosives, before returning to France.

The sources were reacting to a report Monday in the French newspaper *Le Parisien*, which quoted what it said was a French counterintelligence service document.

The document said 80 young

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INTERNATIONAL

Republicans Chasing Nomination Try to Snare Christian Right's Star

By Elizabeth Kolbert
New York Times Service

WASHINGTON — To measure the ascendancy of the Christian right, there are few better indexes than Gary L. Bauer's phone log.

Senator Bob Dole of Kansas consulted with him before delivering his much-talked-about tongue-lashing to Hollywood. Lamar Alexander, the former governor of Tennessee, sent him the galleys of his book and asked for his appraisal. Senator Phil Gramm of Texas confers with him regularly.

Outside conservative circles, Mr. Bauer's name draws blank stares. His organization, the Family Research Council, barely existed five years ago. And yet,

among Republican presidential hopefuls, including Mr. Dole, Mr. Alexander and Mr. Gramm, Mr. Bauer is one of the most vigorously courted figures in the country.

This is because the former Reagan administration official can translate the concerns of the Christian right into terms that a practical politician can understand.

Often the answers he gives are not answers the candidates would have hoped.

But that is not Mr. Bauer's problem.

"I think this movement, whatever one wants to call it, is probably a lot less patient than it was 10 years ago," Mr. Bauer said in his Washington office. That means, he added, that candidates cannot expect to win the Christian right, or the pro-family movement, as he prefers to label it, with vague positions or breezy promises.

Pro-family voters "want to hear the right words," he said, "but they also want a candidate who walks the way he's talking and are quite frankly very unforgiving if they think they're being had."

On abortion, for example, an issue many candidates would like to fudge to win both socially conservative and moderate voters, Mr. Bauer's message is clear: Fudging won't fly.

"Our advice to all the candidates is it just won't do to say they don't like abortion," he said. "They're going to have to be very specific on everything from what types of judges they're going to be inclined to put on the court, to what will their possible vice presidential running mate look like, to — if they were president — what five things would they be willing to

do in the first couple of months that would address this issue. You can really test the seriousness of these candidates because most of them want to stay away from that issue particularly."

Mr. Bauer has harshly criticized some Republican candidates, including Mr. Gramm, for not emphasizing social issues, and he takes credit for efforts the Texan has made more recently to push social concerns. Mr. Gramm responded by praising Mr. Bauer, calling him smart and effective.

"I think Gary, in a very short period of time, has become a very influential person," he said.

Mr. Bauer took over the Family Research Council in 1988, after serving in the Reagan administration, first in the Education

Department and then as director of the White House Office for Policy Development. Even in the conservative Reagan White House, he was known for his arch-conservative outlook.

"Gary was usually a few degrees to my right," said William J. Bennett, the former education secretary.

Mr. Bauer spends at least a day or two each week meeting with lawmakers and pressing them to keep the concerns of the pro-family movement front and center.

During the debate over welfare overhaul, for example, he lobbied heavily — successfully in the House, but not in the Senate — for denying cash benefits to unwed teenage mothers. While some groups argued that the move would drive up the number of abortions, Mr. Bauer argued

that it should have the opposite effect.

"What I'm hoping for is there will be a reduction in sexual behavior," he said.

Surveys have shown that voters who identify with the Christian right, or conservative, pro-family movement, played a critical role in the 1994 Republican congressional victory, and as the presidential primary season approaches, the candidates seem aware that these voters could well decide the Republican nominee.

Earlier this year, Mr. Bauer announced that he had had an unsatisfactory meeting with Mr. Gramm and that he and other pro-family leaders, were considering endorsing Patrick J. Buchanan for the Republican nomination.

Since then, he said, Mr. Gramm has made "major changes in his message."

Richard Allen, the priest in charge of St. Mary the Virgin church at Trawden in Lancashire, who is a schoolmaster as well.

"Someone like myself, who is available every evening and at weekends," he says, "has to be preferable to a full-time paid priest who is divided among 13 parishes."

The Slovak language now has protected legal status in the Slovak Republic, unlike the minority languages spoken there. An early draft of the new law was diluted, so that place names can still be given in two languages, and ethnic Hungarian and German women will not be forced to append the Slavic ending "ova" to their surnames. The law's clearest effects may be seen in the nation's movie houses, reports the daily *Süddeutsche Zeitung* of Munich. Though Slovaks have no trouble understanding Czech, all Czech films will now have to be dubbed into Slovak or carry Slovak subtitles. Films from other countries that have already been dubbed or subtitled in Czech will be forbidden. The intent was partly to help the small and declining Slovak film industry. But Slovak cinema operators say the high cost of dubbing and subtitled could be more than they can absorb.

The money is well spent, says Manfred Gotthardt, the clinic's managing director.

"It reduces the danger that in a big hospital, patients will be seen as nothing but an illness."

PERRY: Firm on Bases

Continued from Page 1

and anger for this terrible act," Mr. Perry said, building on apologies made earlier by Ambassador Walter F. Mondale and other American officials.

"The American people share this pain with you," Mr. Perry said, and he recited the steps that the United States has taken, including imposing a "day of reflection" on all American forces in Japan.

He also said that U.S. Marines around the world had taken up a collection on behalf of the girl.

Repeatedly quizzed about what military cuts the United States would agree to, Mr. Perry stuck to his refrain: Bases could be trimmed, forces could be reallocated among bases, but the overall level of troops must remain at 47,000.

In fact, there may be some room for maneuver, because at the moment there are only a bit more than 44,000 American troops in Japan, according to the press office of the U.S. Armed Forces in Japan. The 47,000 figure is the authorized number and the real level fluctuates below it.

This figure does not include 13,000 "afloat forces" who are assigned to American ships based off Japan. So actually there are nearly 60,000 American forces in Japan, not including another 5,000 Americans who work as civilians for the military.

EUROPEAN TOPICS

German Clinic Turns To Power of Music

Laughter may be the best medicine, but one German hospital places great stock in the curative power of music.

The University Clinic of Münster began bringing performers to its patients' bedsides three years ago, reports the newsweekly *Focus*. One of these performers, Christine Schwandt, 27, has played violin for more than 50 patients, ranging from children with broken legs to cancer victims. She is said to have a remarkable talent for helping them relax and forget their pain. "Mozart," she says, "is best."

So convinced are officials at the 1,500-bed hospital of the benefits of this approach that they now have an annual "cultural" budget of 100,000 Deutsche marks (\$70,000). That amount, which also covers dance therapy and clown shows, is a tiny portion of the total spent on medical treatment.

The money is well spent, says Manfred Gotthardt, the clinic's managing director. "It reduces the danger that in a big hospital, patients will be seen as nothing but an illness."

Around Europe

With the Church of England under severe financial pressure, the number of clergy not paid by the church has nearly doubled in the past year, to more than one-third of the ordained ministry. The church began using unpaid clergy in the early 1960s. The Sunday Times says, but only to assist full-time parish priests. Now, fewer and fewer of the 13,025 parishes are able to afford full-time clerics, who make £13,200 (\$20,700) a year. Dividing one's time between parish duties and a secular job is not easy. But there are advantages to the closer integration of clergy into the community, says the Reverend

International Herald Tribune



Defense Secretary Perry boarding a Japanese destroyer Wednesday on a courtesy call.

BALKANS: Milosevic Is Seen as Key to Success or Failure of Talks

Continued from Page 1

ders of elderly Serbian civilians and burning and looting during the Croatian reconquest of the Krajina region the following month.

Of the three presidents taking part in the Dayton talks, the one with the least bloodstained reputation is Bosnia's Alija Izetbegovic, a Muslim.

But even the Muslims have not escaped criticism. Human rights groups have documented cases of the mistreatment of detainees and beating of prisoners, as well as some summary executions by Bosnian government commando units. But the government has been skillful at preserving and exploiting its "victim" image.

Western officials who have dealt with all three leaders have come away deeply frustrated. Britain's Lord Carrington, who was the European Union's first negotiator for the former Yugoslavia until he resigned in Au-

gust 1992, was almost driven to distraction by the duplicity of his negotiating partners.

"These are people who will sign things without having any intention of doing anything about it," he complained. "When you have brokered about 10 peace agreements and seen everyone sign them, and the next morning nobody pays the slightest attention, you begin to wonder if you can trust anybody."

The key figure at the Dayton talks is likely to be Mr. Milosevic, who will represent the Bosnian Serbs. After Tito's death in 1980, Mr. Milosevic unleashed the demons of nationalism in the former Yugoslavia, which is dominated by Serbia, by championing the rights of the Serbian minority in the largely Albanian-inhabited province of Kosovo.

Adept at bureaucratic intrigue, Mr. Milosevic exploited the Serbian nationalist backlash to outmaneuver his Communist Party rivals and seize supreme power in

Serbia in 1987.

"Milosevic was the architect of the war," said Ivana Nizich, head of the Balkan desk at Human Rights Watch, a New York-based group.

"He supplied the military and paramilitary troops which were directly responsible for the leveling of Vukovar and ethnic cleansing in Bosnia. He has a lot to answer for."

Vukovar is the town in Croatia captured by the Yugoslav military in November 1991.

The U.S. administration is now in the paradoxical position of having as its principal negotiating partner a man who Bill Clinton, during the 1992 presidential campaign, said should be investigated for "crimes against humanity."

The major incentive for Mr. Milosevic to negotiate in good faith is international recognition and the lifting of UN sanctions against what remains of Yugoslavia.

TALKS: Tough Positions

Continued from Page 1

govin and Mr. Tudjman, the secretary of state also pressed those two leaders to put aside their friction and strengthen the Bosnian-Croatian federation that Washington sees as the basis for peace in Bosnia.

"Secretary Christopher raised the great concern that the United States has about allegations of human rights abuses" in Srebrenica, Zepa, Banja Luka and Sanski Most, all towns in Bosnia, the State Department spokesman, Nicholas Burns, said at a briefing. The peace talks have been preceded by a spate of new reports of atrocities against Muslims by Bosnian Serbs.

Mr. Burns said that the secretary of state had "specifically raised the issue of paramilitary groups which have terrorized civilians" throughout Bosnia.

In public remarks before the start of the talks, Mr. Christopher said he hoped that Dayton would become known as the place where "the killing was finally brought to a halt."

"We're embarking today on a process that may well be the last, best chance for peace in Bosnia-Herzegovina," he said.

Mr. Holbrooke, the American negotiator, said in an interview with The Associated Press after separate initial meetings with the presidents of Bosnia, Croatia and Serbia, said:

"All three presidents have come here saying they seek peace. But all three presidents are coming with very tough positions."

He also said that "friction" within the Bosnia delegation al-

so was "a major concern."

The three Balkan leaders arrived at the air base on separate flights Tuesday night.

"I'm an optimist. I believe the talks will succeed," declared Mr. Milosevic.

Mr. Tudjman said that he would not have come if he did not believe in the successful outcome of the talks.

"We came with determination to achieve a just peace," said Mr. Izetbegovic. "I am moderately, moderately optimistic."

"(AP, Reuters)

It's a small thing, but in Georgia, where he was the ex-

ecutive of a county government with 5,000 employees, discourtesy was an offense punishable by dismissal.

He quotes Winston Churchill and Ken Griffey Jr., one man saved England and the other is said to have saved baseball this year, at least in Seattle — in trying to get 8-year-olds excited about reading.

He vows that just as the United States won the Gulf War in a month, Seattle will have literacy rate of 95 percent by the end of his three-year contract.

"I will not fail," General Stanford said, sitting in his office in the dark of an early evening recently, after all the other school district employees except the janitors have gone home.

He has quite a task before him. Although there are only 46,000 children in Seattle's public schools, the district has the problems of any big-city district. The dropout rate is 15 percent, and 14 percent of the children list English as a second language. Nearly a third of the parents with school-age children have opted for private schools.

General Stanford did not apply for the Seattle superintendent's job, nor did he immediately accept it. Then he received hundreds of letters from parents asking him to take the position. It won him over.

"You've got people doing the country's most difficult work and they would love to be led," he said. "I don't have all the answers. No leader does. But I'm issuing a call to action."

Teachers noticed a change the first day he took over. Meetings would end not with a promise of more meetings but with resolutions and decisions.

"When he talks, people listen," said Margaret Bordeaux, a teacher for 20 years. "When he says, 'Let's do something,' people are impressed."

HISTORY: Oblivious to the Past

Continued from Page 1

that level. The test consisted of both multiple choice and essay questions.

The multiple choice questions measure strict knowledge. For example, seniors were asked what the Monroe Doctrine was intended to do: (a) promote United States trade with China; (b) help keep the peace in Europe; (c) discourage European involvement in the Americas; or (d) protect United States business in Japan and Korea.

The answer is c.

The essay questions are meant to measure knowledge

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INTERNATIONAL

Bonn Opposed N-Testing

Paris Was Told Privately to Save Unity

Reuters

TOKYO — Germany has privately told France that it does not agree with its resumption of nuclear tests, Foreign Minister Klaus Kinkel said Wednesday.

"We Germans understand the large disappointment of Japanese over the resumption of nuclear tests. Our people feel exactly the same way," Mr. Kinkel told a media lunch in Japan, the only country in the world to have suffered atomic bombings.

"We have told our French friends in Paris clearly that we are against nuclear tests, though in public we hold ourselves back," Mr. Kinkel said. "The German-French tie is crucial to European integration. It should not be damaged."

On Saturday, Japan protested strongly against France's third nuclear test this year, in the South Pacific last week. The test prompted an outcry in the Asia-Pacific region.

Mr. Kinkel, who is in Japan for a three-day

visit to strengthen bilateral ties, proposed that Bonn and Tokyo work together to prevent further nuclear tests.

"Now we must look forward and do everything so that at the latest, in the autumn of 1996, nuclear tests will become a thing of the past," he said.

Saying he was hopeful that the Bosnian peace negotiations in the United States would bear fruit by Christmas, Mr. Kinkel urged Japan to help rebuild the former Yugoslavia through humanitarian and other aid.

He said Germany and Japan, which are seeking a permanent seat on the United Nations Security Council, had agreed to sit down together to plan an agenda for cooperation.

"Though we are geographically far apart, we are close in many questions," Mr. Kinkel said. He added that, "as leading industrialized nations, both countries are seeking their place in a newly oriented world."

Colombian Uproar on Agents

U.S. Leads Drug Raids, Tapes Indicate

The Associated Press

BOGOTA — U.S. drug agents in Colombia sometimes plan and lead anti-drug operations, rather than merely accompany Colombian forces, according to taped conversations among American officials.

On the tapes, which officials in Washington have acknowledged are authentic though possibly edited, U.S. officials also discussed efforts to have drug cartel figures and potential witnesses sent or lured to the United States.

A Colombian lawmaker, Carlos Alonso Lucio, who made the tapes public, said they indicated that the Drug Enforcement Administration operated in Colombia with too much autonomy. U.S. officials have accused the congressman of being an ally of the Cali cartel.

It would be in the interest of drug traffickers to diminish the U.S. agency's role in Colombia, which is the source of 80 percent of the world's cocaine and has a police force accused of corruption.

The release of the tapes comes as U.S.-Colombian relations have fallen to their lowest point in years. President Ernesto Samper Pizano is under investigation, accused of accepting millions of dollars from the Cali drug cartel, to win the 1994 elections.

Mr. Samper's office has blamed a foreign conspiracy against the president for the scandal, and the interior minister has suggested that drug-enforcement agents were involved. The agency denied any

involvement. Although the Drug Enforcement Agency officially says its agents merely accompany Colombian forces on missions and provide intelligence, the taped conversations, elements of which were confirmed by the ambassador to Bogotá, Myles R. R. Frechette, show they sometimes operate more independently.

The tapes also suggest that U.S. officials have made plans to bring captured traffickers to the United States, even though Colombia's constitution bars extradition of suspects abroad for trial.

One conversation alluding to that point is between Robert Nieves, director of the agency's International Affairs office in Washington; Tony Senneca, the Drug Enforcement chief in Colombia; and a woman identified on the tape as Mary Lee Warren.

A Mary Lee Warren is a deputy assistant attorney general in Washington. People familiar with the matter say she supervises international drug-trafficking cases. Her office refused to comment.

A Drug Enforcement spokesman said that Mr. Nieves retired Friday but that his exit had nothing to do with the disclosure of the tapes.

On the tape, Ms. Warren is heard saying she wants to find "creative ways of getting bodies here," both as witnesses and as defendants.

"Everybody's on board," he says. "We're being supported by anti-narcotics on this. They don't know what the operation is yet — all they know is, you know, that they're doing something with us."

Mr. Frechette said the authorities suspected that Mr. Herrera's farm was a cartel killing ground. He would not say whether remains were found.

A U.S. official, speaking on condition of anonymity, said the

BRIDGE

By Alan Truscott

Germany led the United States by 1 imp.

France won the bronze medals in both events, defeating Sweden in one playoff in the Bermuda Bowl and China in another in the Venice Cup.

A brilliant inference allowed Canada's Joe Silver to bring home a game that failed at all other tables.

In a quarterfinal match against South Africa, he reached four spades after East had opened with a weak two-bid in hearts. The heart jack was led and East overtook with the queen. Silver let this win for a subtle reason. He was sure that East did not have seven hearts, for he would then have opened three hearts, and he wanted to see what East would return.

East was likely to have a singleton somewhere, and if it was in a minor suit he would surely lead it at the second trick. But East continued with the heart king, a passive move, and Silver won with the ace.

East was now sure to have started with six hearts and some length in the minor suits. The chance of a singleton spade with East was now greatly increased.

So Silver cashed the spade king and finessed dummy's ten with a happy result. The game failed in the replay, and Canada gained 10 imps.

East and West were vulnerable. The bidding:

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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Impasse in Canada

The Way Ahead

Quebec has sensibly rejected secession, but by the narrowest of margins — some 50,000 votes out of nearly 5 million cast. Emotions still run high in the streets of Montreal and in the oratory of the losing separatist leaders.

Quebec's premier, Jacques Parizeau, announced his resignation on Tuesday after coming under heavy criticism for his remarks blaming "money and the ethnic vote" for the referendum results. Lucien Bouchard, leader of the separatist campaign, promised a new referendum "quicker than you think."

Neither of those remarks shows much respect for a democratic verdict. And had the Quebec separatists won by an equally narrow margin, they surely would have expected their opponents to accept the result as final.

Not do the separatists, who always insisted that they spoke for all Quebecers, do themselves credit by now suggesting that the votes of the province's non-French-speaking citizens should count for less than those of French-speakers. Mr. Parizeau finally apologized for his offensive remarks.

What is needed now is healing and a constructive dialogue with the rest of Canada over Quebec's legitimate political grievances. Canada's latest constitution, dating only to 1982, eroded Quebec's traditional status as Canada's largest province and the citadel of one of its two founding cultures. Revising the constitution to restore to Quebec the weight it deserves in Canadian affairs would honor both the majority of Quebecers who put their faith in Canada and the minority who voted for a sovereign Quebec closely linked to Ottawa.

Some 60 percent of French-speaking Quebecers voted "yes" for separation.

But polls suggest that many of these voters made up their minds only after the "yes" campaign began to emphasize continued union with Canada.

Meanwhile, as many as 90 percent of non-French-speakers, including Cree Indians, English Canadians and recent immigrants, decided Canada offered more reliable guarantees for minority rights than did Quebec's separatist leadership. Mr. Parizeau's disparaging post-election outburst about an "ethnic vote" suggests that they were right.

Federal leaders in Ottawa, who urge reform within Canada as the answer to Quebec's grievances, must now take note of Monday's strong "yes" vote and deliver constitutional change. Last week Canadian citizens poured into Montreal to urge Quebec to stay in Canada. But twice in the last decade Canada's English-speaking provinces have rejected constitutional packages meant to accommodate Quebec.

Separatist leaders, although they came achingly close to their longtime goal, must recognize that Quebec's voters have now rejected secession twice in the last 15 years. Persisting in their plan for yet another referendum in the near future would be a bad idea.

Quebec and Canada must move beyond the endless secession debate.

Quebec's separatist movement helped inspire and lead a "quiet revolution" of intellectual, cultural and economic renewal in a once sleepy province. Quebec now has its own dynamic business class. Its people enjoy an enviable living standard, and its politicians hold many of Canada's top national posts. Separatists want firm guarantees for Quebec's distinctive identity as well.

Achieving these guarantees within the Canadian constitution is the right response to Monday's divided vote.

—THE NEW YORK TIMES.

Another Referendum?

Quebec's vote on secession has settled less than would have seemed possible a week ago. The legal analogy is a hung jury, requiring a retrial. The sovereignty movement failed by 49.44 percent of the vote to 50.56, with a phenomenal 93 percent of the eligible voters actually casting ballots. Under other circumstances, that might well have permanently killed Quebec's aspirations for separate status. It is, after all, the second defeat in a provincial referendum in 15 years. But the vote on Monday seems to have given new energy to this long quarell.

In his strenuous efforts to try to dissuade Quebec from voting "yes," Canada's prime minister, Jean Chrétien, has promised a renewed attempt to ensure the protection of the French language and of Quebec's traditions within the Canadian federation. That means constitutional reform, and Canada has been there before.

Quebec has never given its consent to Canada's present constitution, and repeated attempts to negotiate its objections have collapsed.

Any substantial change requires ratification by all of the country's provinces. Either the English-speaking provinces balk at giving Quebec the full assurances that it demands, or they ask for similar powers for themselves.

One of the sovereignty movement's

Put Yabloko Back

It is hard to be cheerful about the current prospects of democracy in Russia. The trouble goes far beyond President Boris Yeltsin's second hospitalization for a heart condition in four months — a turn that all but ensures that he will not run for reelection next June.

Just this week the Yeltsin-appointed electoral commission, citing a laughable technicality, ruled the most popular reform party, Yabloko, led by the leading democratic presidential possibility, Grigori Yavlinsky, off the December parliamentary ballot.

These are recognized as major jolts to a fragile system even by the Russian politicians who are likeliest to benefit from them.

Russia for all its historical backwardness, has cautiously been taking on some of the forms of democracy — a third-branch constitutional court, legislative cooperation between president and Parliament. But the real vigor released by the crumbling of communism lies in economic reform. Privatization lurches ahead, stabilization hesitantly follows.

This is the work of President Yeltsin's team of young reformers and old bureaucrats. By its momentum it has created the reform parties that are now tooling up for next month's Duma vote. By

—THE WASHINGTON POST.

A Harsh Look Back at Relations With the New Russia

By Jim Hoagland

WASHINGTON — The world's bookstores have been hit by an autumn blizzard of self-congratulatory and unrevealing high-policy memoirs. Colin Powell, James A. Baker 3d, Hans-Dietrich Genscher, Mikhail Gorbachev and other instant historians each recount how they foresew and oversaw the end of the Cold War, usually with consummate wisdom and grace.

Now comes a high, hard snowball from America's last ambassador to the Soviet Union.

Unlike the other memoirists, Jack F. Matlock Jr. is not thinking about his political future or his next job. In retirement, he candidly captures the confusion, opportunity and groping-through-the-dark quality of that season of change 15 years ago when the Soviet empire and world communism headed toward history's ash heap.

You will not find anything like this sentence, taken from Mr. Matlock's "Autopsy On An Empire" in the Powell or Baker books: "While Baker's reaction was thoughtless, President Bush's was reckless."

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—THE NEW YORK TIMES.

Other phrases sprinkled through Mr. Matlock's account of the Bush-Baker performance on the endgame of Soviet power: "amateurish," "famous," "profound errors," "flaws in the White House's judgment of events in the Soviet Union." Good thing Jack Matlock's a diplomat.

What has this career Foreign Service officer learned was the way George Bush and James Baker mishandled a tip Mr. Matlock received in the summer of 1991, just as he was ending his tour in Moscow. Mayor Gavril Popov let him know a coup was being hatched against Mikhail Gorbachev. Mr. Popov accurately named the plotters (who struck two months later). Mr. Matlock flashed this to Washington, with a plea that the information be closely held while he worked out a way to inform Mr. Gorbachev directly.

Instead, according to Mr. Matlock and Mr. Baker, Mr. Bush's secretary of state stormed into the act. In Berlin for a diplomatic conference, Mr. Baker demanded

to meet Mr. Gorbachev's last foreign minister, Alexander Bessmertnykh, and passed on Mr. Matlock's world scoop to the hapless Soviet diplomat, who "could not get a private message to Gorbachev" from Berlin without help from the KGB, deeply involved in the plot. "Apprising Bessmertnykh of a sensitive report when he could not possibly do anything about it was the height of folly," Mr. Matlock writes.

So much for "thoughtless." Here's "reckless":

Mr. Bush contacted Mr. Gorbachev "on a telephone line monitored by the KGB" and told him Mr. Popov was Mr. Matlock's source. "I would not have expected this from a former head of the CIA, who prided himself on professionalism and was quick to condemn any leak of the most trivial information, but it was a measure of how deep his infatuation with Gorbachev had gone," Mr. Matlock writes.

The bit about sticking too long to wounded pals is a useful policy

reminder now. Events in Moscow seem to be moving beyond the control of the hospitalized President Boris Yeltsin.

The Matlock story is also a good antidote for those of us to whom each passing, faltiring day of the Clinton administration has made the focused cynicism of the Bush-Baker era look better and better.

Mr. Baker actually deserves more credit than he has received

for his strong role in German unification. Middle East peace and building the international coalition that supported the Gulf war. But

Mr. Matlock's judgment of the initial stage of the coup attempt when it did come on Aug. 19, 1991, is compelling, damning and likely to stand up when this season's memoirs harden into history.

In his initial, timid statement that day, President Bush seemed eager not to burn U.S. bridges to the coup plotters in case they succeeded. And he declined direct contact with Boris Yeltsin, then fighting to save Mr. Gorbachev's regime. Mr. Matlock contrasts such caution with what Ronald

Reagan, the president who appointed him to the Moscow embassy in 1987, might have done.

Mr. Reagan "assumed that there could be changes for the better and that he could influence them ... He would have had instinctive confidence that his statement would make a difference and that he should design it not to carry favor with a hateful regime but to bring it down ..."

"Bush on the other hand was uncomfortable with change. Even when it was for the better, he had difficulty recognizing the improvement at first. He always seemed a step behind ... Not having confidence that he could mold the future, he concentrated on managing the present."

That is a working-level judgment, formed about 5,000 miles from the White House and subject to imperfection and dispute. But it comes from a memoirist not openly trying to settle scores or feather a future nest. It has a ring of honesty not sounded elsewhere in the autumn's literature of policy and career-glossing.

The Washington Post.

Meet the New Middle East, and Try Not to Be Too Confused

AMMAN, Jordan — This new Middle East has got me confused.

On Saturday I had lunch in Jerusalem, got in a car, rode across the Allenby Bridge to Jordan and by 8 P.M. was dining in Amman at the opening of the Amman Economic Summit. At the dinner were Israelis, Palestinians, Qataris, Bahrainis, Kuwaitis and Jordanians. The most off-putting phrase around the table was "Can I have your business card?"

After the meal, Uri Savir, Israel's top peace negotiator, spoke. He said the Middle East today was suffering from "psychological jet lag" — people's minds simply have not caught up with what their bodies are now doing. "I look back on my day and I think he is right."

So why am I confused? Because two weeks in Egypt, Israel and Jordan has left me wondering who will define this new Middle East — merchants, mullahs or intellectuals?

Let me share a few conversations.

Cairo: The Egyptian writer Sayed Yassin is worried. Like many Arab intellectuals he believes that Israel plans to dominate the region economically, as it once dominated it militarily. He tells me:

By Thomas L. Friedman

"Israel believes that it should be the superpower in the area. It has this racist idea that the genius Jewish mind, cheap Arab labor and rich Arab capital can all be combined to its advantage. If it will not abandon this racist plan it will never succeed in the region."

Cairo: What the West calls "peace" between Israel and the Arab world is still, deep in the psyche of many Arabs, a fundamental defeat of everything their society stood for for the last 50 years. I am chatting with a young Egyptian friend who recently graduated from a Cairo university, when suddenly out of the blue he says to me: "Mr. Tom, sometimes you just want to say 'no' to the Israelis, even if it doesn't make sense. That's why a lot of people are quietly cheering for Hafez Assad. They are glad that someone is still ready to say 'no' to the Israelis."

Jericho: I am waiting to see Saeb Erakat, a Palestinian minister. A Palestinian student from Bir Zeit University is in the waiting room. In the old days we would have talked about the Israeli occupation,

but this is the new Middle East. He asks me where I am from. I tell him. He asks: "Do you know Ted Turner and Bill Gates? I am studying about them in my business class. I like Ted Turner and Bill Gates."

Tel Aviv: The U.S. ambassador to Israel, Martin Indyk, tells me that while he was recently inaugurating the first Jerusalem branch of McDonald's, an Israeli teenager came up to him and asked:

"Are you the ambassador?" Can I have your autograph?" Slightly embarrassed, Indyk signed the boy's McDonald's hat. "Wow," the boy said. "It must be great to be the ambassador for McDonald's and be able to go all over the world and open restaurants." No, no, Mr. Indyk explained. "I'm the American ambassador." The Israeli lost all interest and walked away.

Amman: I'm having lunch when a young man in a suit walks over to my table and says: "Mr. Friedman, you don't know me but you knew my father. His name was Abu Jihad."

Abu Jihad was the commander of Palestinian guerrillas in Lebanon, and considered by Israel the most dangerous Palestinian leader — so dangerous that Israel

assassinated him in Tunis in a hail of gunfire. "Nice to meet you," I say. "What do you do?" He pulls out a business card and says: "I'm managing director of the World Trade Center in Gaza."

Amman: An Israeli textile company is building a factory to make Hanes underwear in the Jordanian town of Irbid. Israeli staff will commute across the Jordan River each day. An Israeli electronics company already has Jordanian programmers writing software in Amman. They file to Tel Aviv by modem.

Amman: An Israeli entrepreneur, Dan Propper, is sitting next to a Qatari businessman in a flowing white robe and talking to me about the new Zionism: "I would prefer that American Jews, instead of giving philanthropy to Israel, invest there instead. When you invest you are involved. You'll come and visit your investment. That's the best way to get your kids interested in Israel."

But what if all this unravels? He shakes his head. "Peace is a one-way street," he says. "Things may slow down. But it's a one-way street."

I'm glad someone isn't confused.

The New York Times.

Russia Has the Ominous Makings of a Nuclear Materials Bazaar

By Jessica Mathews

WASHINGTON — The way things are going, the name Tomsk, Krasnoyarsk or Chelyabinsk is likely to be in the news when some terrorist group or radical state steals or buys the makings of nuclear bombs in Russia. Those are Russia's plutonium cities, where nuclear warheads were made and are now being dismantled, and where military and civilian reprocessing plants are churning out about three tons of fresh plutonium each year.

Add that annual production to the 30 tons of stockpiled plutonium at Chelyabinsk and the 50 to 100 tons that will come out of

Russia's warheads in the next 20 years. Note that less than 15 pounds makes a Hiroshima-sized weapon.

One described a 1993 theft that involved "at least one senior regional Russian government official; a senior official at a nuclear institute ... an organization believed to be linked to the KGB or what used to be the KGB; organized crime mobs in Russia and Lithuania; and very likely an arms merchant with a history of dealing with Middle East states and terrorist organizations."

Mr. Lugar concluded that the risk of a nuclear detonation on

American soil has gone up, not down, since the end of the Cold War, and that the U.S. response "has not even begun to approximate U.S. stakes in the matter."

It is a view shared by Sam Nunn.

Plutonium can be burned up in a reactor. The difficulty is that making it into reactor fuel (called MOX, for mixed oxide) is fabulously expensive.

It can also be mixed with highly radioactive wastes to protect it from theft and buried, basically thrown away. The chief difficulty is the mental leap it takes to see that plutonium's security risks outweigh its energy value.

The economics emphatically support that conclusion. Using reprocessing and MOX fuel is about six times as expensive as conventional uranium fuel. But decades of belief in plutonium and breeder reactors as the nuclear holy grail dies hard, especially in Russia.

The remaining choice is to store the plutonium for future use in the hope, however frail, that perfect security can be maintained.

Into this picture comes a nearly finished and holly fought-over MOX plant that the German state of Hesse has finally decided not to turn on because of local opposition to nuclear power and to reprocessing. Germany's problem and the problem of Russia's plus plutonium may have a common solution. The idea is to use the Hanau plant not to contribute to greater use of nuclear power in Germany (which Hessians reject) but to lessen the world's plutonium burden by using it only to

months after the war — and then with the ends of two fuel assemblies mysteriously sawed off.

Second, Mr. Blix fails to acknowledge the likelihood that Iraq is once again misleading its inspectors about the extent of Iraq's capabilities in nuclear weapons development.

The key question for today is this: If Iraq embarked on a crash program to remove and convert its bomb-grade reactor fuel into weapons components, what does that say about how far Iraq actually was, and still may be, toward building a bomb?

The IAEA was inspecting Iraq sites twice a year, despite guidance by its own outside experts that most of Iraq's bomb-grade fuel could have been converted into bomb parts within one to three weeks. Iraq needed to complete fuel conversion and build a weapon between November 1990 (when inspectors last visited Iraq and found all the fuel in place) and May 1991 (when the next inspection was due). IAEA officials now insist that Iraq faced a daunting 12 to 18 months to prepare the bomb fuel, but a leading U.S. government expert told us the task was "peanuts" — a good undergraduate lab exercise.

To avoid getting caught red-handed, Iraq needed to have all the non-nuclear components for its bomb ready to assemble as soon as the nuclear components were ready. Otherwise it faced a likely military response to the missing fuel assemblies without having a nuclear weapon to deter it. But no nuclear-weapons components have ever been found, despite records obtained after the Gulf war showing that Iraq had been working on and testing them.

Also, Iraq maintains the same nuclear expertise it had before the Gulf war.

OPINION/LETTERS

Canada Has Lost Its Sense of Itself Among Multiculturalism's Currents

By William Pfaff

CHICAGO — Monday's vote on Quebec's independence seems the worst of all possible outcomes for Canada. The issue still is not settled. Those for independence now can say that the 18 percent of English speakers in the provincial electorate are all that stand between them and victory. They will try again.

It is anglophone Canada that is in jeopardy if Quebec secedes. Quebec is an autonomous cultural nation and will survive as a nation, whether outside or inside Canada. English-speaking Canada is unsure that it is a nation, or even that it deserves to be one without Quebec.

English-speaking Canada's lack of belief in itself is apparent in the commitment it has made in recent years to multiculturalism, whose unspoken, and perhaps even unconscious,

The anglophones aren't sure they are a nation.

premise is that it is not really worthwhile for an immigrant to become a Canadian, as the Canadian nation now exists.

An anglophone Canadian intellectual said at a public gathering of Canadians I attended a couple of years ago, "I don't know what the Canadian identity is, and if I knew, I would not want it." There seemed to be general approval of this statement among those present, as if any other sentiment would amount to a display of unseemly nationalism or even of bigotry.

It seemed to me an astonishing thing to say. I, the outsider, clearly see a Canadian identity. It is to be the non-United States. There are many positive qualities that have become attached to Canadian nationhood, but the bedrock identity is that of those North Americans who chose, and choose, not to be the United States.

The English speakers descend from those who refused the rebellion against the British crown that founded the United

States, and the francophones are the historical people who have refused to be assimilated into anglophone North America. This strikes me as perfectly sound ground for the existence of a bicultural and binational Canada, now as in the past.

The real issue posed by Monday's referendum seems the following: Does an anglophone Canada still exist, were it stripped of its link to Quebec, could resist becoming overwhelmed by the culture and political and economic civilization of the United States? The answer to that has only been postponed by Monday's vote.

There is an important lesson in this for the United States. A big and crucial debate is going on here between those who say the United States is (and should be) merely a federation of autonomous and self-sufficient racial and ethnic cultures, but not a united nation-state. They see American society in census terms: white, plus Afro-American, Hispanic, Asian-Pacific Islander and so on, or in terms of immigrant origins and culture.

This is an unreal view of the U.S. historical experience, as well as of contemporary American reality, despite its tormented racial divisions. It nonetheless is a view very influential in certain academic and intellectual circles, and as such is having a great impact on the education of young Americans.

American education no longer is didactic about citizenship or deliberately assimilative with respect to minorities as it was in earlier periods of immigration. Then it insisted upon the acculturation of immigrants' children by teaching them English and American literature, American history and what for many years in American schools was called "civics."

Teaching today has been decisively changed by the multiculturalism of the universities. A well-meant but intellectually feeble cultural relativism is imposed, while what until now was recognized as the unifying American identity is denigrated

International Herald Tribune.

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LETTERS TO THE EDITOR

Paying Dues

The U.S. Congress' parsimonious refusal to pay its UN arrears of \$1.4 billion is a symptom of the winds of isolationism that are blowing ever harder. This deficit, accumulated over many years, is even now less than 1 percent of America's bloated annual military budget. The latter, built in the presence of a powerful enemy, was continued and even increased despite today's UN-influenced, far less dangerous world.

The last time, our isolationists sheltered the evil powers of fascism/militarism until they grew to a size and confidence that required some of Americans', and much of the world's, blood and treasure to overcome.

The United Nations is a weak vessel to solve the world's problems, but it is the only international, mostly neutral force we've got. Even some of its present weaknesses could be minimized by a positive, not an obstructive, United States.

In recent decades, the UN has shown too much independence — sometimes laudable, sometimes parochial — for our American isolationists to tolerate. Hence they are slowly starving it of its needed funds.

Will we continue our ostrichlike gridlock, or will we go back to being a force for a better world? I hope for the latter, but I fear the former.

GERALD C. HARDY,
Manchester, Connecticut.

Nuclear Questions

Regarding "Next on the World Court's Docket: Are Nuclear Arms Legal?" (Opinion, Oct. 28):

Brahma Chellaney claims that this question, and the answer to it, are "unambiguous."

Unfortunately not, as long as attacks on nuclear power stations and other nuclear facilities remain unhammed. A "conventional" attack triggering an explosion à la Chernobyl — or, for that matter, à la Bhopal — would have a nuclear weapon-like result, or a chemical or biological weapon-like result. Would this be "nuclear war," or chemical or biological warfare?

Today's precision-guided munitions provide this capability, and the United States, Britain and France are against a ban. Indeed, the American counterproliferation initiative seems actually to envisage what the Israelis call "pre-emptive counterforce" in referring to their attack on an unfinished Iraqi nuclear facility in 1981.

The World Court should be

considering the legality of procuring mass destruction through forms of nuclear attack other than attacks with actual nuclear weapons.

LEONARDO DE ARRIZABALAGA Y PRADO.
Madrid.

Bosnia Time Line

Regarding "Basic Bosnia Questions for Clinton," by Thomas L. Friedman (Opinion, Oct. 12):

Mr. Friedman blames Germany's "premature" recognition of Croatia, Slovenia and Bosnia for the war in the former Yugoslavia. He neglects one small detail: The Yugoslav Army attacked Slovenia and then, together with Serbian auxiliaries, Croatia in 1991. Yet the recognition of Croatia and Slovenia by the European Union (including Germany) occurred in January 1992, after the cease-fire and deployment of UNPROFOR in Croatia.

It is true that the Serbian attack on defenseless multiethnic peace marchers in Sarajevo occurred just after the recognition of Bosnia-Herzegovina. However, published interviews with the leaders of the Yugoslav Army make it clear that, as in Slovenia and Croatia, the attack would have occurred regardless of any action by the international community.

Even if Mr. Friedman's arguments were not based on retroactive causation, it would still be difficult to comprehend how even more appeasement of genocide would have led to a better result.

ERIC HALGREN.
Rennes, France.

No Blockade

Regarding "Clinton Offers New Agenda for UN After the Cold War" (Oct. 23):

That Fidel Castro should choose to call the U.S. embargo of Cuba a "blockade" is understandable. A blockade is an act of war, and it is in Mr. Castro's interest to show the United States as an aggressor. I am, however, disappointed to see your newspaper fall in with this.

The United States is not stopping ships or planes of other countries from going to Cuba. If "men, women and children" are dying in Cuba, it is not because of a blockade. It is because Cuba, one of the world's most fertile countries, can neither feed its people nor earn the foreign exchange to buy the food and medicines that they need.

JOHN RAY.
Fontenay-Trésigny, France.

On Coins, Environmentalists and Dancing Girls

By George E. Will

WASHINGTON — Women on the farther shores of feminism might be right after all. Perhaps America really is a phallocentric patriarchy run for the convenience of men. Perhaps that is why Congress is so reluctant to save hundreds of millions a year by replacing the one dollar bill with a longer-lived metal coin.

Metal coins, although heavier than paper bills, are fine for women to carry in their purses, less so for men's pants

MEANWHILE

pockets. So metal coins may be too great a sacrifice even for this summer of frugality.

Still, if metal coins replaced dollar bills, men might start carrying purses, which would advance an agenda favored by many advanced thinkers, that of blurring the distinction between the sexes. And a man's purse industry would nicely nudge the economy onward. So, the metal dollar would be a triple play — an economic stimulus, a bite out of the deficit and an affirmation of androgyny.

The American Council of the Blind favors a metal dollar for obvious reasons. But the metal dollar is opposed by a group called Save the Greenback, which Kelly Owen says represents unions from the Bureau of Printing and Engraving and companies that supply things like the ink and linen that go into dollar bills. Urban mass transit officials prefer metal to paper. The Chicago Transit Authority, for example, spends \$22 to straighten and count every thousand one dollar bills, and it counts 285,000 a day. The vending machine industry is backing the metal dollar.

The metal dollar is an idea ripe for this summer, which features the Republican Congress calling the nation's bluff. Republicans are saying: You say you want a balanced budget. How much do you want it? Enough to bear the burden of metal dollars?

Apparently not, perhaps because the last two times the government tried metal dollars, it made a hash of things. The Eisenhower dollar, introduced in 1971, was a clunker, the size of the old silver dollar. Besides, paper dollars stayed in circulation, as they did in 1979 when the

Susan B. Anthony dollar appeared, looking too much like a quarter.

John F. Kelly of The Washington Post reports that some women artists, and men who salute their artistry, passionately want paper dollars preserved.

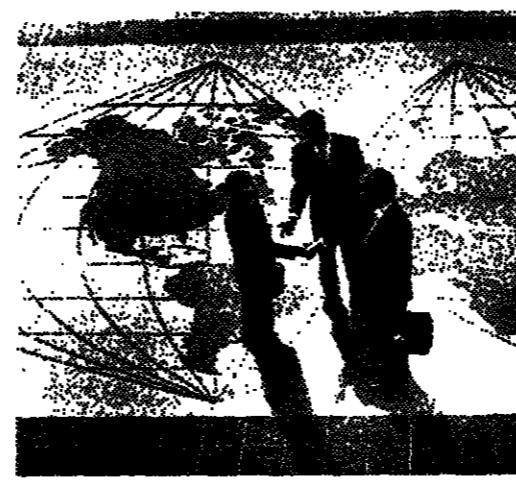
The women are topless dancers who receive part of their compensation in the form of dollar bills tucked into their garters and G-strings by appreciative patrons. This form of positive feedback could not survive the coming of metal dollars, according to an expert that Mr. Kelly found. He is Don Waitz, publisher of the Erotic Dancer Directory.

"Girls have been dancing topless and nude since caveman days; they'll find a way to adapt," he says. "But it definitely destroys the whole mystique and the whole give and take of the industry. When you tip the girl a dollar, there is a brief bond there, or an imagined bond between the girl and the guy."

A balanced budget will involve pain, but evidently it will not involve the cruelty of metal money that would impede such bonding.

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NEW YORK FASHION

HEALTH/SCIENCE

Heady Mix From Oldham

By Suzy Menkes
International Herald Tribune

NEW YORK — The drag queen in the scoop-back, glitter jump suit, with the tinsel wig and a third cyclops eye bulging from the forehead, took his seat at the Todd Oldham show. Pretty scary, huh?

But this is Halloween and you ain't seen nothing yet. Not the weird walling enough to waken dead souls, emanating from a musical synthesizer at the appropriately named Ghost show.

Nor the dizzily decadent fashion photographs of supermodel and skeleton posing skull to skin in designer clothes in *The New Yorker* magazine. The portfolio of 23 images by the eminent photographer Richard Avedon is being interpreted variously as a sick satire on the death of fashion or a witty take on the death of the supermodel.

The lack of big name models on the runways at the Spring/Summer collections is major fashion news for the New York tabloids, along with a celebrity who's who of the front rows.

It was to the credit of Oldham that he overcame the excesses of Halloween and the pre-show type — Julia Roberts baring her teeth for the paparazzi and the drag queen Jo Arias baring his rear. Oldham staged a strong show that enlivened the season and he even dared to use the famous supermodels, to the better of his colorful stuff.

Right from its opening, when dresses and suits echoed the mosaic pattern on the runway backdrop, the show had a heady mix of fun fashion and wearable clothes.

If you discounted eye-popping patterns, including knits mixing different stripes on each sleeve, the silhouettes were simple: slim and long, with a focus on dresses. Hemlines were often ankle-length or stopped reasonably on the knee, although an occasional cheerleader's skirt or transparent dress required color-edged undies.

Oldham has a merry way with prints, making them as flat flowers, a tray of black lace, in horizontal stripes or slashed diagonally across the body of a sinuous dress. The result was striking and sexy but not vulgar,



Oldham colorfully played with prints and stripes.

give or take diaphanous blouses with bath-mat ruffing — a substitute for the feather boa from the animal activist designer.

Dosing the bold patterns were dresses in baby pink or blue, cool beige and white, or splashes of coral and lime green. And where Oldham's clothes once seemed steamy and sultry, pale blue denim separates or a graphic black and white dress like a elongated polo shirt gave a sporty feel to this fresh and lively show.

Richard Tyler gave a neat and tidy show that was a merciful relief after a surfeit of grungy styling on the runways. His clothes were just plain pretty, meaning simple pantsuits or dresses in pistachio green, lavender, ice blue and silver gray.

THERE was something pale and frosty about these colors and their shiny textures, like lacey knits, iridescent silk, charmeuse, shantung and even soft summer velvet. The show was a model of how to give American sportswear an edge, by throwing the jacket silhouettes a curve and by subtle use of fabric and color.

Tyler's clothes also seemed carefully crafted, as an apple-green basket-weave jacket fit

ted gracefully over narrow white pants. With no fuss and no dramatics, Tyler produced a pleasing show.

Ghost's theme was a time-travel journey through the world of the 1920s artist Sonia Delaunay. But the elaborate program notes seemed little to do with what was on the runway: simple clothes with modern romantic touches. That meant a lacy scribble print on the surface of a white georgette shift dress. Or ruffles running in waves down a skirt or round its hem.

After so much pared-down dressing in the New York shows, it was good to see the designer Tanya Same daring to break the no-jewels mode with sparkling crystal necklaces and matching bags, part of the pretty, decorative message. That also brought a cape fluttering over a white dress or a loose panel flying. Draped jersey, a hot trend of the season, was another way of dressing up the dress. As on all the runways, a hot flash of color was pumpkin orange.

Significantly, all these shows from hip designers were presented with the models walking calmly down the runway, a contrast to the frenzied gyrations of previous seasons or the wild costume party of the downtown Halloween parade.

The results, recorded on piano by Zach Davids, the composer and a student at Brown University, are part of an exhibition that opened last month at the Boston Museum of Science, called "The Dance of

Yes, 'Magic Gloves' Do Ease Children's Pain

By Jane E. Brody
New York Times Service

NEW YORK — Pain is always real, and each person experiences it differently. For children as well as adults, physical, emotional, cultural and social factors influence how pain is experienced and how they respond to different methods of pain control.

Mary Kachoyeanos and Margaret Friedhoff, nurses who specialize in the management of pain at Children's Hospital of Wisconsin in Milwaukee, have found that helping children to cope with pain gives them a sense of mastery and self-control that they can apply to other stressful situations as well as to future painful health problems.

Experts in controlling pain in children condemn the common practice of restraining children who resist painful treatments. Restraint, they say, only increases a child's anxiety and fear, which can complicate and delay recovery.

While most people think first of drugs to curb or prevent the perception of pain, children are often highly responsive to pain-control strategies that involve their imaginations and sense of play.

The Milwaukee nurses, who summarized behavioral and cognitive strategies for reducing children's pain in the journal *Maternal-Child Nursing*, point out that not only are these methods completely safe and effective, but they also "cost nothing to implement and actually save staff time."

Behavioral and cognitive methods can also be used as supplements to drugs, reducing the amount of pain medication needed to comfort the child. Many of the techniques the Milwaukee nurses describe can also be applied by parents both in medical settings with the aid of health professionals and on their own at home.

Some of the most effective methods for minimizing children's pain capitalize on a child's natural imaginative skills and high degree of suggestibility. These approaches usually work with children of 3 years and older.

The simplest technique, and probably the one most often used instinctively by parents, is to distract the child by touching or stroking him.

In a more sophisticated form, the child's hand is stroked at the same time as the parent or health professional strokes the area where pain will be inflicted, for example where a needle is about to be inserted.

THE child is told that when the needle goes in, the child's hand will be stroked. The child is usually able to transfer the soothing experience of the hand stroking to the area where the pain is actually being inflicted.

Or the child might "blow away the pain." The child is taught to blow out as hard as she can at the first sensation of pain, which distracts the child by forcing her to concentrate on responding to the pain signal.

Another method for calming a child who faces a painful experience is controlled breathing: The child is taught to take slow deep breaths through the nose and then to let the breath out slowly, through pursed lips.

Children are very susceptible to the

power of suggestion, which makes the "magic glove" technique especially effective. An imaginary glove is placed on the child's hand, finger by finger.

Then the child is told that the glove can help to lessen the discomfort of a medical procedure. If pain is widespread, a "magic blanket" might be used to cover the painful area.

A related technique, tactile transference, is already likely to be used in its most basic form by most parents, who would naturally try to comfort a child by touching or stroking him.

In a more sophisticated form, the child's hand is stroked at the same time as the parent or health professional strokes the area where pain will be inflicted, for example where a needle is about to be inserted.

Desensitization techniques that have been developed for ridding people of phobias can also be applied to reduce the anxiety and pain associated with a medical procedure. The child is gradually exposed step by step to the anxiety-provoking procedure through play. In effect, the child plays doctor or nurse.

For example, a child who is about to receive an injection might first be shown a syringe. Then he might be allowed to handle the syringe, then fill it with water and finally give an injection to a doll or stuffed animal.

A related approach involves "modelling," or learning about the procedure and ways of mastering the experience either through observing it firsthand or by watching a videotape of another child going through the experience. By becoming familiar with the experience, the child is better able to prepare for it and is likely to be less frightened.

ADVERTISEMENT

Apology to Sir Roger Bannister

An Airbus Industrie advertisement featuring a photograph

and the name of Sir Roger Bannister appeared, without

Sir Roger's knowledge or consent, in recent issues of this publication. The advertisement was created by Osprey Park, an advertising agency, and placed by their U.S. associate agency.

Sir Roger Bannister strongly objects to the use of his image or name in connection with any commercial advertisement, and did not authorize the use of his image or name in the advertisement which appeared in this publication. Airbus Industrie, Osprey Park and their associate agency apologize to Sir Roger for their unauthorized use of his image and name. Sir Roger has no connection with Airbus Industrie, does not endorse Airbus Industrie or any of its products in any way, and received no fee or other remuneration in connection with this advertising campaign. While neither Airbus Industrie nor Osprey Park nor their associate agency intended that the advertisement should create the impression of such a connection in the mind of any reader, they sincerely apologize to Sir Roger if such an impression was given. As part of the settlement of this matter, they also are making a substantial donation to a charity approved by Sir Roger.

Chance." The melodies were derived from cardiograms of patients at Beth Israel Hospital, where Mr. Davids's father, Dr. Ary L. Goldberger, is director of electrocardiography. Dr. Goldberger's son, who uses the name Davids professionally, added harmony and tempo to the cardiogram melodies, and has commercially recorded a compact disk of the results, called "HeartSongs" (Ivory Moon Recordings, Wellesley, Massachusetts) — reminiscent of New Age music.

The use of the beating heart as an aid to musical composition is not mere trick. Dr. Goldberger said, "The fact that a beating heart can be the basis of pleasing sequences of notes leads to a deeper question: Is an act of creativity an externalization of basic biological dynamics?" he said.

Dr. Goldberger and his collaborators at Harvard University, Boston University, Bar-Ilan University in Israel, the Massachusetts Institute of Technology and other institutions have published papers in recent years elaborating on the idea that healthy biological functioning is dependent on a certain kind of irregularity.

Their papers have reported the discovery of "fractal" mathematical patterns that influence the rhythms of heartbeat and walking strides, the structures of nerve networks, circulatory systems, lungs and DNA, and even the biological changes that accompany aging.

In all of these manifestations of fractal patterns, he believes,

a high degree of complexity is linked to healthy functioning, and when complexity is smoothed out, illness, aging and death seem to follow.

Dr. Goldberger surprised cardiologists six years ago with the conclusion he and his colleagues reached that a healthy heart exhibits variations in beats that disappear from a diseased heart on the verge of failure.

Dr. Goldberger says the discovery does not imply that arrhythmias and gross irregularities in heartbeat are healthy.

"What we measure is the precise time between beats," he said. "The time interval between one beat and the next varies slightly in the healthy

heart. Moreover, the variations over a long series of beats seem to have long-range correlation; that is, they are fractal."

To convert variations in the intervals between heartbeats and musical notes, Dr. Goldberger applies a mathematical procedure called binning in which the range of possible time intervals is divided up into 18 equal parts, each one representing a note.

The mathematics of fractals was developed by Dr. Benoit B. Mandelbrot of IBM in the 1960s and 1970s. Fractal structures are defined as having self-similarity at all scales; for example, a jagged coastline is perceived as having roughly the

same irregular shape, whether all of it is seen from a satellite, or a small part from an airplane, or smaller parts by a sunbather or a microorganism. Each vantage point offers a different scale of view, but at each scale, the same general pattern persists.

In the case of heartbeats, Dr.

Goldberger says, healthy organs display long-range fractal "anti-correlations": a pattern that may occur over a short period of heartbeats is repeated in reverse over a longer time scale.

Diseased hearts in danger

failure show random variation but no such long-range correlation of patterns, he says.

IN BRIEF

Hypertension Drug Spurs New Concern

WASHINGTON (NYT) — Elderly people with high blood pressure who took one kind of calcium channel blocker drug were nearly twice as likely to die within five years as those treated with other drugs, scientists are reporting in Wednesday's issue of the *Journal of the American Geriatrics Society*.

The drug is the short-acting form of nifedipine, which is marketed as Procardia by Pfizer Inc. and as Adalat by the Bayer company. The National Institute on Aging in Bethesda, Maryland, said that the study confirms earlier reports expressing concern about the hazards of short-acting nifedipine. The study also reinforces a warning from U.S. health officials issued in August that the drug should be used "with great caution, if at all."

Wheat Expected To Edge Out Rice

WASHINGTON (WP) — Within the next decade, wheat will replace rice as the No. 1 grain crop in developing countries, due to hardy, high-yield varieties that can be grown in more regions, a report says.

Scientists have developed wheat varieties that are far more efficient at converting sunlight, water and nutrients into grain, and are more resistant to heat, drought and pests, said Donald Winkelman of the Consultative Group on International Agricultural Research that issued the report. That means wheat can now be grown in areas that were formerly too hot and dry to support it.

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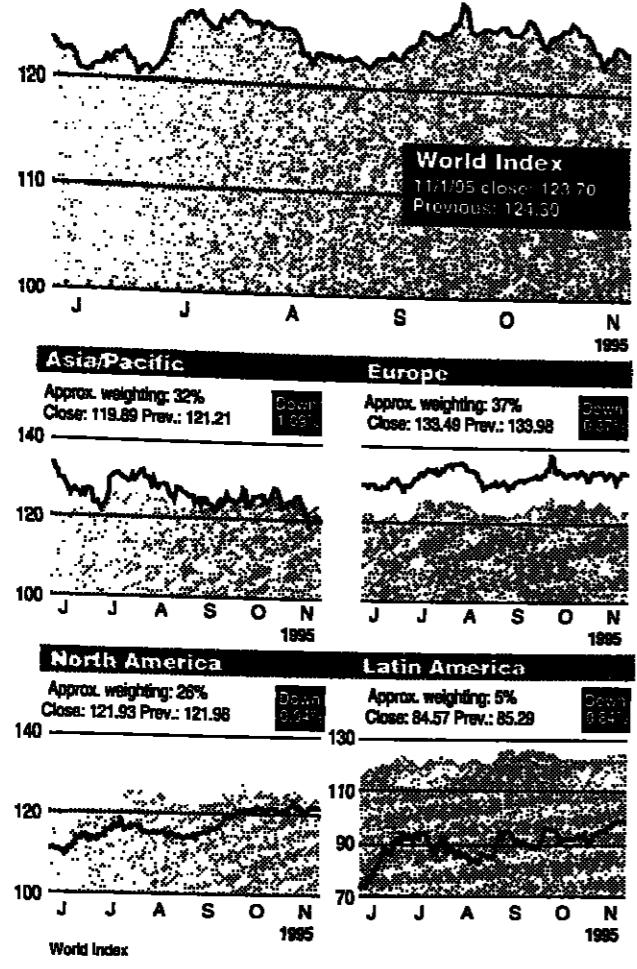
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INTERNATIONAL MANAGER

Big Fish Lands in a Quiet Little Pond

By Mark Landler
New York Times Service

NEW YORK — Ask Danny Goldberg whether he has any regrets about his noisy departure from Time Warner Inc. last summer, and he says, "I should have kept my mouth shut on a couple of occasions when I opened it."

Coming from one of the most famously outspoken executives in the recorded music industry, that is no small admission.

Even in a business in which mouthing off is commonplace, Mr. Goldberg occupies a singular niche: He is both a political activist and a promoter — a man who passionately defends free expression in pop music and who has honed his image as an ear for new musical talent.

Even in a business fueled by image, too much publicity can be hazardous to your job, as Mr. Goldberg has learned. In August he was forced to resign as the chairman of Warner Brothers Records after becoming tangled in a nasty and public power struggle.

Now, the 45-year-old executive has a chance to prove himself in a much quieter corner of the industry. Last week, PolyGram USA announced that it had named Mr. Goldberg as the chief executive of Mercury Records.

If he can revive Mercury, it will help PolyGram consolidate its position as the second-largest music company, after Time Warner. For his critics, it also will be proof that Mr. Goldberg can rebuild a

label almost from the ground up — not just manage a thriving one or win headlines for himself.

"It's like eating too much chocolate," Mr. Goldberg said of his penchant for publicity. "I spent a tremendous amount of time early in my career worrying about whether people would return my phone calls. But in the last year I got more attention than I ever wanted."

He will not have that problem at Mercury. Despite a rich history as the label that launched the Platters and Quincy Jones, it is an also-ran compared with giants like Warner Bros. or Atlantic Records.

Mercury has a 1.9 percent share of the U.S. market, according to market researcher Sound Scan, while Warner has 8.5 percent. Mercury has four releases on the current Billboard album chart, while Warner has 19.

Moreover, Mercury has almost no reputation among up-and-coming artists. Aside from Joan Osborne, whose first album, "Relish," has gotten rave reviews from music critics, Mercury is best known for its aging rock 'n' roll acts, such as Bon Jovi, John Mellencamp and Def Leppard.

Mr. Goldberg acknowledged that he faced a thorny challenge. But he said the success of Ms. Osborne gave Mercury a base to build on. "It would be good to have more artists of her caliber," he said.

With a background as both a label executive and a manager, Mr. Goldberg is well-suited to replenish Mercury's artist roster. Before running Warner Brothers, Mr. Goldberg was the president of At-

lantic. Before that he managed the careers of Bonnie Raitt and the band Nirvana.

Music executives are notoriously quick to make gibe about their colleagues. Several said Mr. Goldberg's reputation far outstripped his accomplishments. At the same time he is credited with reviving Ms. Raitt's career and with helping to turn Atlantic from a tired rock label into one of the most successful companies in the industry.

Mr. Goldberg is as well-known for his politics as for his hit-making. As the president of the Southern California chapter of the American Civil Liberties Union, he has defended rap music against critics like William Bennett, the former secretary of education.

Mr. Goldberg is as well-known for his politics as for his hit-making. As the president of the Southern California chapter of the American Civil Liberties Union, he has defended rap music against critics like William Bennett, the former secretary of education.

Mr. Goldberg exacerbated a battle for control of the company's music division between Doug Morris, the former chief executive of Warner's U.S. operations, and Michael Fuchs, the new chairman of the music

Mr. Fuchs eventually dismissed Morris and forced Mr. Goldberg to resign, even though he had just signed a new five-year, \$20 million contract at Warner.

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Frankfurt	1.413	2.281	1.025	1.2125	1.413
London (c)	1.413	2.281	1.025	1.2125	1.413
Madrid	1.413	2.281	1.025	1.2125	1.413
New York (c)	1.413	2.281	1.025	1.2125	1.413
Paris	1.413	2.281	1.025	1.2125	1.413
Tokyo	1.413	2.281	1.025	1.2125	1.413
Toronto	1.413	2.281	1.025	1.2125	1.413
Zurich	1.413	2.281	1.025	1.2125	1.413
1 ECU	1.413	2.281	1.025	1.2125	1.413
1 SDR	1.413	2.281	1.025	1.2125	1.413

Source: Reuters, Lloyds Bank.
Figures apply to 1 American, London, Madrid, New York, Paris and Zurich, subject to other centers.
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Investor's America



Economy Leaves Workers Behind

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The expanding U.S. economy that has propelled stock prices to record levels has not spilled over to the paychecks of American workers, whose earnings rose by 2.7 percent in the last 12 months, the smallest amount on record.

In the year that ended in September, wages and salaries rose by 2.8 percent and benefits rose by 2.2 percent, resulting in a 2.7 percent overall rise in earnings, according to figures from the Labor Department. Inflation for the same period was 2.5 percent, while economic growth was 3.5 percent.

The figures also showed that business was succeeding in its effort to bring down the cost of health care. The amount spent on health benefits fell by 0.1 percent, the first decline since the government began tracking these costs in 1981. As recently as 1988, health spending was going up by 14 percent a year.

Since the mid-1980s, the incomes of middle-class households have stagnated. But the Labor Department figures underscore the view that even in a year with a solidly expanding economy, a soaring stock market and strong corporate profits,

many American workers cannot find perceptible improvements in their earnings.

The frustration and insecurity that have resulted are expected to play a major role in shaping next year's presidential race as politicians of both parties try to portray themselves as the best choice to provide economic growth that will benefit the middle class.

President Bill Clinton has already found it hard to get political credit for the strong economy, and stagnant paychecks will make it harder for him to contend that he has helped the average worker. But the data also hold little joy for the Republicans as they try to sell with public skepticism about many of the federal spending cuts they plan to enact in such

areas as education and Medicare.

"There is something wrong with rising profits, rising productivity and a soaring stock market but employee compensation heading nowhere," Secretary of Labor Robert B. Reich said Tuesday.

While economic growth has been steady, Jerry Jasinski, the president of the National Association of Manufacturers, contends that it has not been high enough to drive up wages.

Faster growth will not occur without lower interest rates from the Federal Reserve Board and additional government support for exports, he said.

The hope that higher growth will lift compensation may be a scant comfort to workers worried about keeping their jobs. Even as economic growth remains steady, companies continue to announce plans to shed jobs.

But the latest Labor Department figures offered hope that growth incomes could be about to accelerate.

"We are getting health costs under control," said Joseph E. Stiglitz, the chairman of the President's Council of Economic Advisors. "That leaves more room for wages to increase."

Rate Ideas Propel Wall Street to Gain

Compiled by Tom Hart from Reuters

NEW YORK — Stocks rose and the bond market rallied on Wednesday as investors grew optimistic the Federal Reserve Board would lower interest rates again this year. Bank, oil and retail issues led the gains.

Several reports indicating economic growth was slowing rekindled expectations for lower rates.

"If the economy is weaker than expected, then it gives the Fed the ability to keep the economy going" by lowering rates, said Barry Bernstein, head trader at Robert W. Baird & Co. in Milwaukee.

The Dow Jones industrial average closed 11.20 points higher, at 4,766.58. Advancing shares outpaced decliners by a 13-to-9 ratio on the New York Stock Exchange.

Meanwhile, bond yields fell after the report showed inflation is not accelerating.

The yield on the benchmark 30-year Treasury bond fell to 6.39 percent from 6.33 percent on Tuesday. The bond's price rose 17/32 point, to 107 25/32.

The National Association of Purchasing Management report "shows the economy is not growing at all," said Todd Clark, senior trader at Rodman & Renshaw.

A Fed report also released on Wednesday further confirmed the slowdown.

The Fed is "going to give us a Christmas present" and lower rates at the December meeting, said Joseph Barthel, director of investment strategy at Fahne Stock & Co.

The Federal Open Market Committee, the policy-setting arm of the central bank, last lowered the federal funds rate in July, the first cut in almost three years.

Oil companies gained as crude oil prices climbed on a

report that Gulf Coast crude stockpiles declined for a sixth consecutive week. Chevron jumped 3%, to 47.50, and Texaco added 2%, to 68.14.

Boeing climbed 2 1/4, to 68, on news Japan Air Lines plans to buy five of the company's 777-300 twin jets for \$800 million.

In the broader market, the prospect of lower rates brightened the outlook of banks' earnings. Citicorp climbed 1 1/4, to 64 1/4, and Bank America rose 1/4, to 58 5/8.

General Electric slid 1, to 62 1/2, after the maker of home appliances and jet engines said it was selling a total of \$400 million of flexible auction-rate preferred stock in a three-part sale. MCM Corporate Watch reported.

U.S. STOCKS

But Hewlett-Packard recouped losses and closed 1/4 higher, at 93. The stock weighed down other technology shares after the company said it would cut prices on its DeskJet 850 series color inkjet printers by 9 percent.

"You don't do that when sales are so hot you can't meet them," said Peter DaPulio, head trader at Cantor, Fitzgerald & Co. "It shows more weakness than people anticipated."

America Online rose 6 1/4, to 86 1/4, after declaring a 2-for-1 stock split on Tuesday.

Kalick & Sofia fell 8 1/4, to 26 3/4 after it delayed a common stock offering because of a manufacturing problem.

W.R. Grace rose 1/2, to 56 1/4, after the company launched a cost-reduction effort to save more than \$100 million in 1996, including the elimination of 800 jobs worldwide.

Warren-Lambert rose 2 1/4, to 86, when the drugmaker said it would collaborate with CoCentrix.

(Bloomberg, Reuters)

Very briefly:

Cordis Rejects Hostile J & J Bid

MIAMI (Combined Dispatches) — Cordis Corp. on Wednesday rejected a \$1.6 billion hostile takeover offer from Johnson & Johnson, calling the proposal inadequate.

Cordis, which makes and sells medical devices for the cardiology and radiology markets, also snubbed an offer to negotiate a stock-swap valued at \$1.7 billion, or \$105 a share. Johnson & Johnson made the proposals on Oct. 19. Cordis shares closed at \$8.10 the day before the bid was made. On Wednesday, the stock rose \$1.75, to \$11.25.

Johnson & Johnson said it would ask Cordis shareholders to remove the company's board of directors so the bid could proceed. (Bloomberg, AP)

Sweetened Offer Doesn't Sway PP&L

ALLEN TOWN, Pennsylvania (AP) — The board of PP&L Resources Inc., the holding company for Pennsylvania Power & Light Co., on Wednesday rejected a sweetened \$4 billion buyout offer from PECO Energy Co. prompting the neighboring utility to drop its takeover attempt.

When PECO raised its offer by about \$700 million last week, its chairman said the Philadelphia-based utility would only seek a friendly deal with neighboring PP&L if PP&L's board did not accept the offer, the PECO chairman, Joseph F. Paquette Jr. said his company would drop the takeover attempt.

William F. Hecht, PP&L's chairman and chief executive, said in a letter Wednesday to Mr. Paquette that the board had decided PECO's offer was not best for "PP&L Resources and its shareholders, customers, employees or the communities it serves." Mr. Hecht said the board's financial adviser, Morgan Stanley & Co., found PECO's offer financially inadequate.

Rockwell Reports Higher Profit

SEAL BEACH, California (AP) — Rockwell International Corp., the lead contractor on the U.S. space shuttle and B-1 bomber, said Wednesday that its quarterly profit rose 15 percent on improved results in its factory-automation, semiconductor systems and truck-parts divisions.

For the quarter ended Sept. 30, the fourth in the company's financial year, profit climbed to \$189 million, or 88 cents per share, on sales of \$3.5 billion. Yearly profit rose 17 percent from \$3.64 million, or \$2.87 per share, to \$742 million, or \$3.42 per share.

Rockwell's profit was up 10 percent from \$179 million in the same period last year.

Rockwell's chairman and chief executive, said in a letter to investors, "We are pleased with the results of our fiscal year to date."

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Toyota to Help Chinese Carmaker Expand Output

Bloomberg Business News

TOKYO — Toyota Motor Corp. said Wednesday it would extend technical assistance to a car manufacturer in China, a move aimed at helping the Japanese company catch up with U.S. and European rivals racing to find joint venture partners there.

Toyota, Japan's largest automaker, will help Tianjin Auto expand production to 150,000 cars annually, a level at which the company can ask the Chinese government for permission to build new models and increase production further, the company said.

The move also helps Toyota build a track record of assisting the Chinese automaker. Chinese officials have said they will permit joint ventures only with foreign companies that have helped local companies develop.

"This makes the prospects for future negotiations for joint ventures with actual Toyota capital brighter," said Andrew Blair-Smith, an analyst with Barclays de Zoete Wedd Securities (Japan) Ltd.

The agreement is the first large-scale cooperation between Tianjin Auto and Toyota, but extends a relationship Toyota has established with the Chinese automaker through Daihatsu Motor Co. Toyota raised its stake in Daihatsu to 33.3 percent from 16.8 percent in September.

Tianjin Auto makes 65,000 cars a year under a licensing agreement with Daihatsu.

The announcement from Toyota comes just days after General Motors Corp. won a coveted agreement to build 100,000 passenger cars a year in a joint venture with Shanghai Automotive Industries Corp., China's largest industrial company.

Toyota, perhaps the most cautious of the automotive heavyweights seeking entry into China, has so far failed to find a production partner.

Two-Wheeling in China

Motorcycle Makers Bet on a Big Market

Bloomberg Business News

SHANGHAI — Every two minutes, a shiny red Xingfu motorcycle rolls off an assembly line at Shanghai Ek Chor Motorcycle Co. Yet outside the factory, the streets are teeming with poky little mopeds.

Shanghai Ek Chor has bet moped mania is a passing fad. Its 125 cubic centimeter and 250 cc motorcycles, which can reach speeds of 100 kilometers (62 miles) an hour, cannot be easily converted to 49 cc mopeds.

With a top speed of 16 miles an hour, mopeds have proliferated because they can pootle along in bicycle lanes. They are exempt from the restrictions on motorcycles over 50 cc — only 2,000 licenses are handed out in Shanghai each year to cut congestion on crowded streets. A motorcycle license can cost up to \$2,500 at quarterly auctions.

Shanghai Ek Chor says it is not worried.

The official Xinhua news agency reported Wednesday that China will be the largest motorcycle market in the world by the turn of the century, with demand estimated at 11 million units a year.

"The life span of mopeds in China will be very short," said Wu Zhisen, a spokesman for the company. "Between bicycles and cars, the middle lane has to be for motorcycles."

Jinan Qingqi Co., another Chinese motorcycle maker, would probably disagree. Jinan sold 20,000 shiny red Firebird mopeds in a two-month trial this summer. The small motorcycles Jinan makes are easily converted to mopeds.

"We saw an opportunity in Shanghai and took it," said Ma Mingdi, sales manager at Jinan Qingqi. "We expect to sell many more early next year when we start full-scale production."

Shut out of its own city, Shanghai Ek Chor must range across China for sales, targeting rural areas where motorcycle licenses cost less than a sack of rice.

Just one Chinese person in 60 owns a motorcycle, about half the world average. But

analysts estimate that at least 100 million of China's 1.2 billion people can afford one. That is a lot of motorcycles.

Mopeds are not Shanghai Ek Chor's only problem. There are at least 200 motorcycle companies, and they are waging a price war.

Shanghai Ek Chor's 125 cc models now cost an average of just 9,600 yuan (\$1,141), including sales tax. The price has fallen from 9,800 yuan in the first half of the year, and from more than 10,000 yuan last year. Mopeds retail for about 5,000 yuan.

Many companies cut costs by using smuggled parts and avoiding tariffs. But, Mr. Wu said, authorities are cracking down and prices have little room left to fall before it is impossible to make the vehicles profitably.

Shanghai Ek Chor, at least for now, is making money. Profit rose 38 percent in the first half, to 70.8 million yuan. The company is half-owned by Shanghai Automotive Industry Corp., China's largest industrial company. Ek Chor China Motorcycle Co., a Thai-controlled holding company, owns the other 50 percent.

The joint venture is trying to cut costs while expanding production. Shanghai Ek Chor expects to produce 400,000 motorcycles this year, a 31 percent increase over 1994. China Jialing Industry Co., China's largest motorcycle manufacturer, expects to produce about 1 million units. But Shanghai Ek Chor has only about 3,000 workers, compared with China Jialing's 30,000 employees.

Shanghai Ek Chor is spending 1.3 billion yuan on a new plant in Pudong, Shanghai's booming industrial zone, where it will begin making 125 cc motorcycles on a trial basis July 1, six months ahead of schedule. The plant is expected to turn out 100,000 bikes next year.

Apart from those pesky mopeds and the stiff competition, the \$1 billion motorcycle market looks good. China made 5 million motorcycles last year, a 50 percent increase over 1993.

Merrill Faces Fine By Bourse

Compiled by Our Staff From Dispatches

TOKYO — An official of the Tokyo Stock Exchange said Wednesday the bourse may add penalties of its own to those being weighed by the Ministry of Finance against Merrill Lynch & Co.

Finance Minister Masayoshi Takemura said the ministry would announce a penalty on Thursday.

If the exchange confirms that Merrill broke trading rules, it will fine the financial house, said the official, who spoke on the condition that he not be named. He would not say how big the fine might be.

The financial daily Nihon Keizai Shimbun reported Wednesday that authorities would suspend Merrill from trading for two days and fine it tens of thousands of dollars — a relatively light punishment. The paper did not name its source.

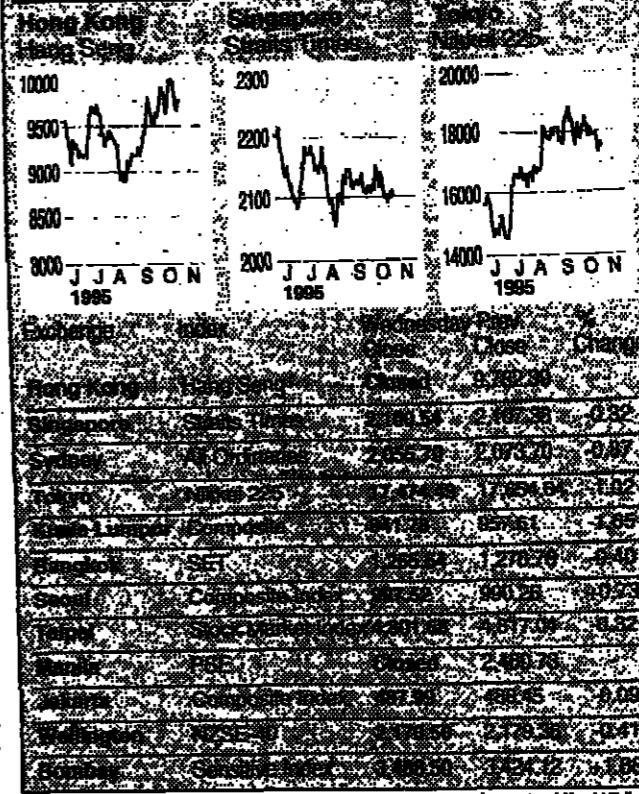
The Securities and Exchange Surveillance Commission in Tokyo advised the ministry last week to discipline Merrill after finding the firm broke trading rules from May 1989 through February of this year. The committee said Merrill traded stocks of companies while it solicited bids for new shares, convertible bonds or warrant bonds as part of underwriting deals.

While admitting that his firm violated the rules, an executive of Merrill said last week that the Ministry of Finance knew about the trading practice. Merrill spokesmen said they believed the ministry was going to change the rule. In a statement issued in New York, Merrill said it never manipulated the market and that the trading complied with international practices.

The crackdown on Merrill comes as U.S. regulators investigate Daiwa Bank Ltd. Prosecutors are checking to see whether Daiwa broke the law through an alleged cover-up of \$1.1 billion in U.S. Treasury bond trading losses.

The Finance Ministry denied any link between the two incidents. (AP, Bloomberg)

Investor's Asia



Source: Telexors

International Herald Tribune

Very briefly:

- Japan's tax revenues in the six months to September, the first half of 1995-96, fell 3 percent from a year earlier, to 15.88 trillion yen (\$156 billion), because of the slow economy.

- Reliance Industries Ltd. has asked the Securities and Exchange Board of India to investigate what it called "price hammering and manipulation" of its shares on the Indian stock exchanges.

- The Zurich Insurance Group has applied for Taiwan government permission to purchase a majority stake in the insurer Malayan Overseas Insurance Corp. Zurich Insurance wishes to invest 229 million Taiwan dollars (\$8.5 million) to purchase about 28.3 million shares, raising its ownership to about 85 percent.

- Imperial Chemical Industries PLC plans to triple current annual sales in China, to £500 million (\$789.9 million), by 2000 and to increase investment from £25 million.

- Daewoo Motor Corp. of South Korea has not decided the size of the majority stake it will take in Poland's state-owned Fabryka Samochodow plant, but said it would not lay off any workers. The South Korean car company also expects to break even this year and post profits next year after a 9 billion won loss last year.

- Kia Motor Corp. of South Korea and Ford Motor Credit Co. have established a car-finance company for Korean buyers, with an initial capital of 33.3 billion won (\$43.5 million).

- Siam Cement Co. of Thailand and Mitsui Petrochemical Industries Ltd. have agreed to a 50-50 shareholding split in a petrochemical venture requiring a total investment of \$4.8 billion (\$377 million), Siam Cement said.

- Matsushita Electric Industrial Co. plans to set up a joint venture to make color television receivers in China with local companies.

Bloomberg, AP, AFP, AFX, Reuters

Taiwan Firms Have Struggled in '95

Reuters

TAIPEI — A survey published Wednesday showed that nearly one-fifth of the companies listed on the Taiwan stock exchange posted losses for the first nine months of 1995.

The survey, which appeared in the Economic Daily News, showed that out of 332 listed companies, 63, or 19 percent, reported losses.

Analysts said the main reasons behind the poor performance were a flagging real-estate market and a fall of 32 percent in the benchmark Weighted stock index since the start of the year.

Other reasons included weak prices on the world market for the steel, plastics and textile products produced by Taiwan's main industries.

Foreign-exchange losses as the Taiwan dollar fluctuated against the U.S. currency in the third quarter were another reason for a decline in earnings for Taiwan companies.

Companies that posted impressive earnings included those electronics, semiconductor and computer companies whose operating earnings were not dragged down by stock or real estate losses.

NASDAQ

Wednesday's 4 p.m.																																			
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.																																			
The Associated Press																																			
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NEW PLAYERS AND NEW MARKETS

Oil, Gas & Petrochemicals

AN ENERGY EQUATION FOR THE NEXT CENTURY

Price, security of supplies and the search for a "cleaner" fuel are important considerations.

World demand for oil and oil products such as gasoline, aviation fuel and industrial fuels is changing significantly, and this is already having a major impact on the source and quantity of oil supplies. Environmental concerns are enhancing the trend toward using natural gas as a form of energy, but the costs, both for consumers and producers, may be high.

In 1973, world oil reserves totaled 570 billion barrels, enough to last about 30 years. Today, despite the production of 420 billion barrels, proven reserves amount to more than a trillion barrels, and estimates are that this could last up to 70 or more years at current rates of production. The 11 members of the Organization of Petroleum-Exporting Countries in the Middle East, Africa and Asia account for more than two-thirds of proven world reserves, with Saudi Arabia alone accounting for about one-fourth of the total.

New reserves of oil

The improvement in the global picture over the past two decades is due to the discovery of new reserves of oil, as well as to new technology. In addition to supplies from the OPEC countries, such as Saudi Arabia, Iran, Venezuela and Nigeria,

other "non-OPEC" producers such as Britain, Norway, Mexico, Canada and China have increased their output. The former Soviet republics are either recovering the share they enjoyed before the disruptions of the early 1990s or investing in new fields. The United States remains a major contributor to world supplies as well, despite its own high consumption. Altogether, the number of oil-producing countries has risen from a handful in the 1950s to about 85 today.

New technology and drilling techniques are also helping to improve recovery rates and to prolong the life of existing reservoirs. Improvements in refining and in the processing of oil products are contributing to the better use of each barrel of crude oil, as well as reducing the drain on world's reserves. Advanced engineering, design and construction of petrochemical plants, like that provided by Raytheon to a 420,000-ton-a-year styrene unit in Saudi Arabia, also help to add value to each barrel of oil or cubic foot of gas that is extracted.

Despite this, the rise in oil consumption appears to be relentless. During the first half of 1995, demand for non-OPEC oil increased by 2.8 percent, compared with the first half of 1994. For OPEC supplies, the figure

was 2.3 percent. Global production of oil, which includes the domestic consumption and/or new stocks in the oil-producing countries as well as their exports, rose to 3.202 billion tons in 1994, compared with 3.166 billion tons in 1993.

By the year 2010, demand for OPEC oil is expected to double, rising from the current average of about 27 million barrels a day to between 46 million and 50 million barrels a day, according to studies carried out by the Paris-based International Energy Agency (IEA). Demand for non-OPEC oil is also expected to increase, although at a lower rate, as available exports from some of the main producers decline. By 2010, it is expected to reach some 42.4 million barrels a day.

As a result, OPEC's share of world oil demand could rise from about 41 percent today to nearly 53 percent. Such a development will have important implications for the newly emerging market economies of Asia and Latin America, including such large countries as China and India, as well as for more traditional consumers in North America, Europe and Japan. The remaining big OPEC producers, such as Saudi Arabia and Iran, could find their economies becoming still more dependent

on oil revenues, with negative consequences for their own development.

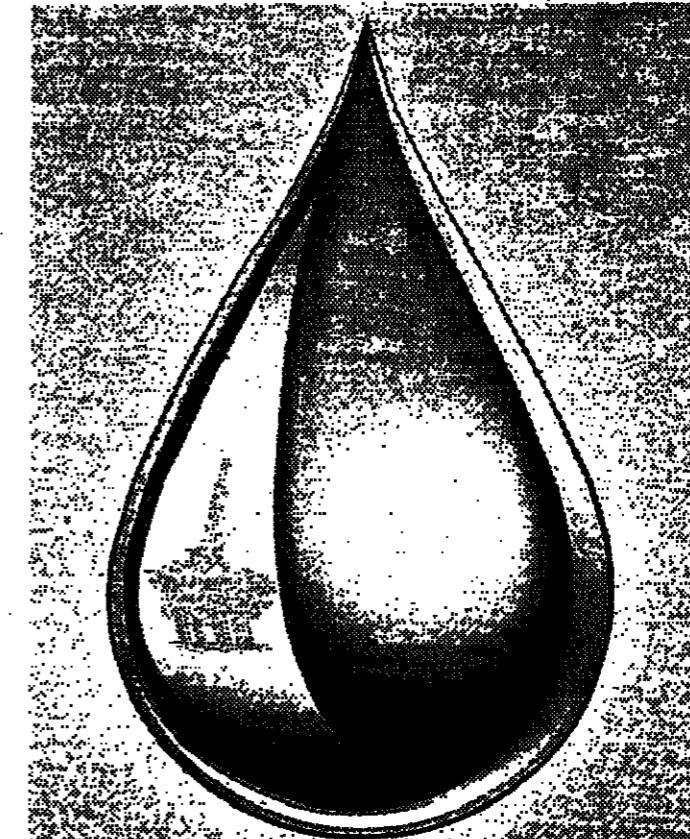
However, for both OPEC and non-OPEC suppliers, the immediate concern centers on the future role of oil in the entire energy equation. Aside from the environmental lobby, the producers themselves are facing new challenges. As the former Saudi Minister of Petroleum Hisham Naser remarked in a recent speech, "We have the question of financing upstream and downstream investments, coping with the global environmental wave, leading the technological drive, reintegrating the industry and

Much will depend on the

keeping the competitive advantage of oil vis-a-vis other sources of energy."

The greatest challenge
The use of natural gas for energy poses the greatest challenge in the view of many in the industry. Massive new reserves are being developed in countries such as Qatar and the United Arab Emirates, Kazakhstan, Malaysia and Indonesia, all of which are close to the rapidly expanding markets of Asia. European countries are also expected to turn to the Gulf states for additional supplies of gas after the turn of the century.

Much will depend on the



Despite environmental concerns, oil consumption is rising relentlessly.

PHOTO: AP/WIDEWORLD

extent to which environmental pressures dictate a switch to "cleaner" fuels. But considerations of price and security of supplies are also crucial. The producing countries want to charge a

price that gives them a return on the huge investments they need to make to tap these reserves. Importers want guaranteed supplies as well as lower prices for their consumers. These concerns

are likely to become a greater focus of attention in the coming decade, particularly given the inflexibility of gas supply systems compared with oil.

Pamela Ann Smith

DEMAND FOR NATURAL GAS EXPECTED TO RISE

Natural gas offers many advantages, but huge investments are necessary to process and transport it.

With the decline of nuclear power and growing concern about the burning of fossil fuels, producers of natural gas are looking forward to a sharp rise in world demand in the next two decades. However, the actual fulfillment of this demand will depend to a large extent on whether the high cost of both processing and transporting gas can be justified.

The U.S. oil conglomerate Mobil has estimated that the Pacific Rim countries alone will need almost 120 million tons of gas a year by 2010. This is more than two-and-one-half times as much as the 45 million tons a year they currently consume.

Demand in Europe is also expected to increase considerably in the next 15 years, well beyond the ability of the region's own producers in the Netherlands, Norway, Russia and Britain to meet the rising requirements. The Paris-based International Energy Agency (IEA) predicts that by 2010, Europe will be taking almost half of world gas exports, compared with about 35 percent today.

As the London-based monthly, *Petroleum Economist*, pointed out recently, "Policy makers

are attracted by the knowledge that gas is environmentally friendly and widely distributed, with reserves that already equal, or exceed, those of conventional oil. As a result, levels of investment in gas production and in associated technology are rising rapidly."

At present, much of the world trade in gas takes the form of liquefied natural gas (LNG) shipped via sea in large, specially designed tankers. In Australia, the Anglo/Dutch conglomerate Shell is planning to boost LNG exports up to 23 million tons a year in the next 15 years. This is almost three times as high as its current output.

Expanding production
Both Malaysia and Indonesia are also expanding their production of LNG. In the case of Malaysia, output could rise to 22.1 million tons per year by the end of the century, compared with 15.5 million tons a year at present. Indonesia may add another 4 million tons a year to its existing capacity.

However, the largest additional supplies in the next 15 years are expected to come from the Middle East and Central Asia. Qatar, the tiny peninsula-

lar sheikdom located on the Gulf waterway northeast of Saudi Arabia, has some of the world's largest, if not the largest, deposits of natural gas in the world. Current estimates put the size of its North Dome fields at more than 380 trillion cubic feet. Given current plans to produce up to 21 million tons of LNG a year starting in 1997, this would be enough to last 100 years or more.

Oman and Yemen, two other countries located in the Arabian Peninsula, are inaugurating other huge LNG schemes, which, together with Qatar, could provide 32 million tons of LNG a year. This is almost three-fourths the current level of imports by Japan, South Korea, Taiwan and the other Pacific Rim economies.

Still other massive gas reserves have been discovered in Sharjah in the United Arab Emirates, in addition to other extensive reserves currently being developed in Iran as well as in the former Soviet republics of Central Asia and the Caucasus.

Nevertheless, the future of gas as one compo-

Continued on next page



CASE HISTORY #24: PETROGAL GASOLINE COMPLEX, SINES, PORTUGAL

WORKS IN PROGRESS



We brought together a multilingual engineering team, equipment and materials from eleven countries, and construction specialists from six nations.

As a nation on the move, Portugal had only one thing slowing it down: the leaded gasoline that was in its trucks and cars was being phased out to help the environment. Unless it could quickly build new production facilities, the country

the-art alkylation facility that made clean-burning, high-octane gasoline production (and a stable economy) a reality.

Right now, companies the world over are relying on our international resource management for their new facilities and modernization programs. Having consolidated respected names such as Badger, Ebasco, and

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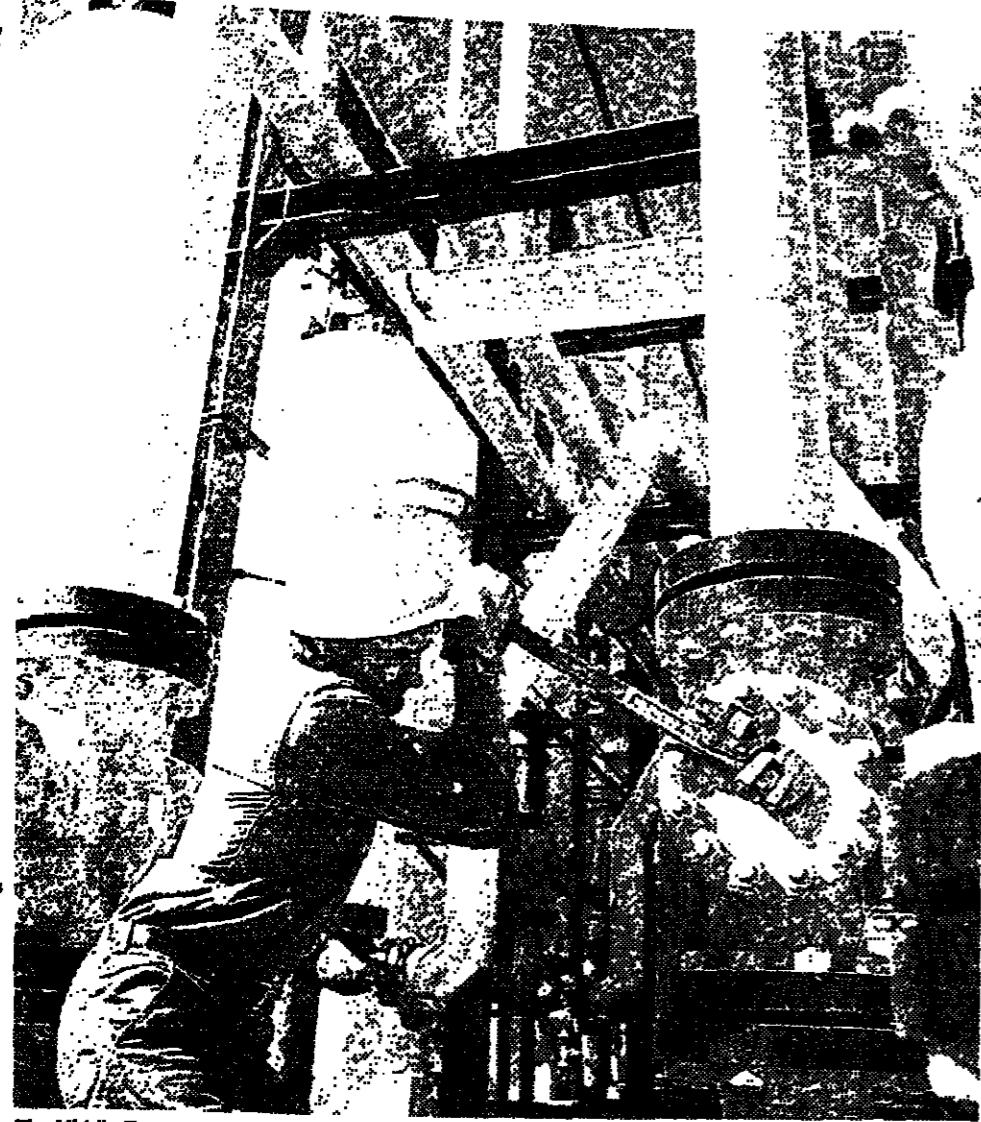
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- Metals & Mining
- Government Services

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The Middle East supplied about 70 percent of Asia's oil imports last year.

DEMAND FOR NATURAL GAS EXPECTED TO RISE

Continued from previous page

nancing, nor risk taking the gamble that their investments will pay off. However, some countries, like Qatar, have been able to turn to Gulf-based banks and institutions such as the Arab Petroleum Investments Corporation (APICORP) for substantial medium-term loans.

APICORP, which will be celebrating its 20th anniversary this month, is an Arab joint-stock company established on Nov. 23, 1975 in accordance with an international agreement signed and ratified by the governments of the 10 member states of the Organization of Arab Petroleum Exporting Companies.

Minimizing the risks
The Central Asian republics have opened their doors to foreign investment from U.S. and European companies in the hopes of mini-

mizing the risks involved. One of the most important imponderables centers on the cost of transporting LNG to markets — whether in Asia or in Europe — that may, or may not, be willing to pay the high prices involved. As one industry analyst explained recently in the case of Turkmenistan: Despite the massive volumes of gas, once prices are net-backed from a major market, the well-head value is close to zero."

For this reason, the future of gas worldwide may well depend on efforts to bring down the cost of transport. While conversion into natural gas liquids (NGLs) such as propane or butane that can be stored in tanks may be an alternative, the most inexpensive way of transporting gas is via pipelines.

Two of the most important — the Trans-Mediterranean Pipeline and the Euro-

Maghreb link — are due to bring new supplies to Europe as early as 1996. Companies such as Gaz de France are also involved in other pipeline projects in Tunisia and Algeria.

Political wrangling
For the Central Asian republics, the prospect of building such links requires a decision on routes, and this, in turn, can provoke heavy political wrangling.

At the moment, both Turkey and Russia want countries such as Kazakhstan and Azerbaijan to use their territory to gain access to European markets. In the case of Turkey, this could be via Georgia and either the Mediterranean or the Black Seas. Turkmenistan could export supplies via Iran and the Gulf, but this is already giving rise to concern among U.S. oil companies working in the region due to

the U.S. trade embargo on Iran.

Meanwhile, Russia, Kazakhstan and the Gulf state of Oman are seeking to build additional pipeline capacity through their joint company, the Caspian Pipeline Consortium (CPC).

This would provide comfort to the governments of the landlocked republics in Central Asia who want to make sure that their huge new supplies are able to reach world markets.

However, progress on building the link is still awaiting agreement both on the large financing package that will be required and on the amount that the consortium will charge users.

Pamela Ann Smith

degrees Fahrenheit) over the next century.

North-South quarrel
Many Asian leaders scoff at the dire predictions, transforming the debate into a "North-South" quarrel between rich and poor nations.

During a meeting of developing countries earlier this year in Manila, delegates issued a statement saying that "we are concerned that environmental measures may be used inappropriately to impede our local industries from becoming internationally competitive."

They want the full brunt of emission-cutting activity to be placed on developed countries, pointing to the fact that the United States is currently the world's largest contributor of carbon dioxide emissions, accounting for about 20 percent of the total.

Oil outlook
The bleak outlook for oil in Asia stems largely from supply and demand. Even though there is potential for huge new finds in China, Vietnam and the Spratly Islands, this is offset by declining output from mature fields in Indonesia and China.

China, for instance, became a net importer of oil last year.

Meanwhile, major oil companies are becoming increasingly outspoken about the terms and incentives offered by Asian governments.

Natural gas reserves in Asia comprise about 7.1 percent of the world total, with the major fields in Indonesia and Australia. Indonesia currently exports more than 26 million tons of liquefied natural gas annually, with two-thirds going to Japan and the remainder to South Korea and Taiwan.

The Jakarta government hopes that figure can be increased by 15 million tons each year, using gas from the vast Natuna field in the South China Sea.

Despite a recent estimate from Pertamina (Indonesia's national oil company) that worldwide demand for LNG will hit 140 million tons annually by 2010, government officials are worried about competition from new gas fields in Alaska, Australia, Russia and the Middle East. South Korea, for instance, is set to seal a purchase agreement with Qatar for 2.4 million tons of LNG over a 25-year period.

The nuclear question
The Philippines and Vietnam are among Asian nations that are seriously considering nuclear power as an energy source.

The Philippines plans to establish a nuclear-power network by 2001, while the Vietnamese government will make a decision within the next three years on a proposal to build a \$3 billion nuclear plant to begin operations by 2012.

While some experts point to the accident-prone facilities in India in an attempt to deter expansion of nuclear energy in the region, others point to the successful network of 30 nuclear-power plants in Japan and 12 in Taiwan.

Julia Clerk

Well
prepared
for the
unsettled
economic
climate.

FINANCIAL HIGHLIGHTS

	1994	1993	1992
Total Assets	1328	1340	1310
Shareholders' Fund	579	566	551
Loans	544	580	526
Treasury	617	664	688
Equity Participations	137	66	66
Deposits from Banks	663	702	658
Net Profit	21	7	20

APICORP is an Arab joint-stock company established in 1975 by an international agreement signed and ratified by the member states of the Organization of Arab Petroleum Exporting Countries (OAPEC), to establish and finance petroleum and petrochemical projects and industries in the Arab World and beyond.

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France

Tour of China: Writing the Book First Race Is the Hardest

By Samuel Abt
International Herald Tribune

SHANGHAI — There is no bible, as the book that charts the daily stages in a bicycle race is called, in the first Tour of China. That's because 60 percent of the course was changed in the two weeks before the race began, too late for revisions to be printed. The prologue in Hong Kong last Thursday, for example, was announced as 2.8 kilometers (1.5 miles) long and turned out to be 4.1 kilometers. The explanation was that the necessary police approval to close roads was not given until the morning before the race and the authorities chose a longer course.

These things do not usually happen in professional bicycle races, where schedules, distances and transit points are written long in advance to concrete, not rice water.

"The environment changes so radically on a dime," explained Jim Birrell, the technical director of the Tour of China and the man nominally in charge of selecting the route.

"The Shanghai turnaround," he continued, referring to an exchange of stages in this populous city. "Just two weeks ago we agreed this is where the third stage would be and this is the fourth stage, no problem, and then they switched."

They hadn't looked at their calendar to see that there was another event, a cultural event, at the same place on the same day that we were scheduled."

Nevertheless, Birrell said Wednesday, he is more than happy with the way the race is

going, praising especially the work of the Chinese police. A few glitches aside, stages are starting on time, the riders have only good things to say, roads have been kept safe and the race is moving with precision toward its finish in Beijing on Sunday.

And, in spite of switching of Shanghai's stages, the race Wednesday attracted the largest crowds yet, some 20,000 people in the far southwestern Xing Zhang residential area. Two and three deep in some places, peering out of the windows of four- and five-story apartment houses and even standing on roofs, spectators were plentiful all along the 3-kilometer circuit, which the 101 riders traversed 26 times for a total of 78 kilometers.

The easy winner in a sprint on a chilly day was Darnien Nazon, a 21-year-old Frenchman with the Castorama team, in one hour, 37 minutes, 15 seconds in spite of a crash that left him sitting on the road about halfway through.

The victory allowed him to don the yellow jersey of the race's overall leader. Steve Hegg, an American with USPro who had worn the yellow jersey since the prologue in Hong Kong, dropped to second overall, a second behind Nazon.

Nazon and his Castorama teammates piled aboard the bus laughing, a distinct change from their mood on the way to the morning race. The team will disappear for financial reasons at the end of the year and most of the riders have not yet found new jobs.

"This race is too late in the season," grumbled one rider on



Cyclists, including Norman Alvis of the United States (third from right), racing alongside local riders in Shanghai.

the way out. "We should be home now, looking for a new stage." On the way back, he was all smiles.

Somebody joked that if Laurent Jalabert, the star French rider, could be acclaimed in France as "The King of Spain" after he won the Vuelta a Espana there last month, Nazon should be dubbed "The Emperor of China."

For the second successive day, the stage was held in a part of the city distant from the choked center. Nearly all eight million Shanghai residents seem to be downtown, thronging the sidewalks and jamming the streets with bicycles and cars, pretty much day and night.

"You look at all the cities we go into and how densely populated they are," Birrell said. "Can you imagine trying to close those roads downtown? You'd have to have the federales standing shoulder to shoulder, arms locked, to pre-

vent people from getting onto the course."

"So we're on the outskirts of all the towns." In order, they are Hong Kong, Shenzhen, Guangzhou, Shanghai and Beijing in the 11-day, 500-kilometer race.

If he had his druthers, Birrell would have mounted a stage along the Bund, the former European financial center at the harbor in Shanghai, and in Tiananmen Square in Beijing, both out of bounds this time.

"You go where the people are," he said. "If you're in New York, you go to Fifth Avenue and 59th Street," where Birrell designed a stage for the Tour de Trump when the eponymous Donald still owned the Plaza Hotel there.

"But you can imagine what it would be like if we tried to go into city centers in China in our first year," Birrell said. "I had to think about the logistics: How are we going to man it, how are we going to secure the immediate start and finish areas, how we have because it allows us to see how the Chinese authorities

handle it and allows them to see how we handle it. This has been a great walk-before-you-run year."

Among those Chinese authorities, the police have been zealous at crowd control, perhaps zealous to the third power. Along Xin Xi Lu, the "Lu" meaning street or route, a policeman with a bullhorn castigated a pedestrian for daring to dash across the course to a noodle shop — half an hour before the start of the race.

When roads are closed in China, they are closed: Road barriers along the course often end by blocking access to any further sidewalk.

"I was told this is where the start is, this is where the finish is, this is how we connect the dots," Birrell said. "I had to think about the logistics: How are we going to man it, how are we going to secure the immediate start and finish areas, how are we going to build those environments?"

2-1 Defeat by Oilers Is Devils' 3d in Row

The Associated Press

The Montreal Canadiens' winning streak isn't a surprise anymore. The losing streak of the New Jersey Devils, the Stanley Cup holders, is another matter.

"Hopefully, we're doing it now and getting it out of the way," the Devils' forward Bob Guerin said after Tuesday night's 2-1 loss to the Edmonton

NHL ROUNDUP

ton Oilers. "We've got to try to take the rest of our games on this western swing."

It was the third straight loss for the defending Stanley Cup champions, who continue their four-game road trip Thursday night in San Jose, California.

The Devils, who swept the Detroit Red Wings in last season's Stanley Cup finals, were unbeaten in the exhibition season and rolled to a 6-1 record before losses to Vancouver, Pittsburgh and Edmonton.

Bill Ranford turned in a sparkling 39-save performance to lead the Oilers over New Jersey. It marked the second victory this season for the rebuilding Oilers over the Stanley Cup champions.

Jason Arnott scored the game-winner at 3:05 of the third period when he stepped across the New Jersey blue line and rifled a shot between the legs of the Devils' goaltender, Martin Brodeur.

Canadiens 3, Bruins 1: Brian Savage, Patrick Roy and the rest of the Canadiens stayed hot as Savage scored his ninth goal in six games and Roy stopped 38 shots.

Flyers 2, Lightning 2: Brian Bradley and Peter Klima scored second-period goals for Tampa Bay at Philadelphia.

Eric Lindros scored his 10th

goal and John LeClair his ninth to give the Flyers an early 2-0 lead.

Philadelphia, which leads the NHL, is unbeaten in its last five games against Tampa Bay (4-0-1) and is also unbeaten at home this season (4-0-1). The Lightning has just one victory in its last six games (1-2-3).

Islanders 5, Panthers 4: Bob Sweeney's goal with 1:04 left in overtime lifted New York to victory at Florida.

Sweeney's second goal of the night capped a frantic finish. Florida fought back from a 4-2 deficit in the third period and was denied victory when a puck off the skate of Mike Hough was disallowed with 2:46 left in overtime.

Rangers 5, Sharks 3: Luc Robitaille and Niklas Sundstrom scored within a 24-second span midway through the third period as New York won at San Jose.

Robitaille and Sundstrom each scored two goals, and each has five this season. Robitaille increased his scoring streak to eight games.

The Winnipeg Jets tied the game 3-3 at 7:52 of the final period on a power-play goal from short range by Owen Nolan, his fifth of the season. However, the Rangers quickly retaliated, as Robitaille put in a rebound shot at 8:49, and Sundstrom scored on a breakaway at 9:13.

Flames 2, Kings 1: At Los Angeles, Calgary won for the first time this season as Cory Stillman scored the tie-breaking goal early in the third period and Rick Tocchet made 34 saves.

The victory ended a five-game losing streak by the two-time defending Pacific Division champions and left San Jose as the NHL's only winless team.

SIDELINES

World Series TV Ratings Rise

NEW YORK — World Series television ratings increased 19 percent this year over 1993, the first time they've risen in four years. Atlanta's six-game victory over Cleveland averaged a 19.5 rating and 33 share, Nielsen Media Research said. The rating was above the 17.3 rating and 30 share for Toronto's victory over Philadelphia two years ago, but 3 percent below the 20.2 for Toronto's victory over Atlanta in 1991.

NEW YORK — Second baseman Craig Biggio, shortstop Shawon Dunston and pitchers Jack McDowell, Jim Abbott and Andy Benes were among 19 players who filed for free agency Tuesday, raising the total to 30.

Mourning May Be Traded

CHARLOTTE, North Carolina — The Charlotte Hornets basketball team is reportedly considering trading Alonzo Mourning. The center, whose contract expires after this season, reportedly has been offered a seven-year, \$70 million deal but wants \$91 million with an escape clause after four seasons.

(AP)

Mantle's Bust Recovered on Internet

NEW YORK — Nearly 20 years after it was stolen, a bronze bust of Mickey Mantle has been found through the Internet. The FBI said the bust commemorating Mantle's 500th home run was recovered after Robert Pagan, a former Yankee Stadium security guard tried to sell it for \$25,000 by computer after the slugger's death Aug. 13.

TRANSITIONS

BASEBALL

American League

BALTIMORE

Announced

Gene Harris

pitcher

pitched

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Rick Aguilera

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Edgar Martinez

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THURSDAY, NOVEMBER 2, 1995

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Just Gotta Go With Those Rockets Chemistry and Character Are There for a '3-peat'

By Harvey Araton
New York Times Service

There are many reasons to like the Houston Rockets, the foremost being that we are not conditioned to.

The Rockets are not a sexy team in a noisy news media market. Their arena is a skybox-less hump, right off a freeway ramp. Their coach is the winner without the windbag within. Their superstar center is a ferocious competitor in the pain but a peaceful giant of the game.

True, the Rockets' new uniforms follow the blinding craze of bold logos and clashing colors, but we'll lay that one on the owner, Les Alexander. That's another good thing about the two-time defending champs. Bucking the nasty player-bashing backlash of the mid-1990s, Houston views the Rockets as a bunch of pretty good guys and Alexander as a carpetbagger from New York.

The coach, Rudy Tomjanovich, has 25 years of company service as a player, broadcaster and coach. The front office has made the personnel corps the Knicks have not. Without high lottery leverage, it drafted such emerging talents as the irascible Sam Cassell, picked 24th in 1993, and the smooth Robert Horry, No. 11 in 1992. It provided supplementary, if aging, superstar support for Hakeem Olajuwon last season with Clyde Drexler. It had the guts to sell the talented but disruptive Vernon Maxwell to take a hike.

Who knew that unglamorous steamy night of June 22, 1994, that the Rockets

and the Knicks were more than ships passing in the NBA night? Most people believed they were just finals-crashers at the conclusion of a depressed season, after Michael Jordan of Chicago quit and Charles Barkley of Phoenix got hurt. Few realized how tough and talented the Rockets had to be to beat the peaking Knicks at their own brutal game.

Now this veteran NBA critic, who gained a measure of celebrity in Houston two years ago by picking the Rockets to win their first NBA title. As Houston was a city with no parades in its team sport history, the man who forecast the Rockets as champions became the long-distance guest of Houston talk radio.

"Do you really think?" the hosts would ask. "In my opinion," the NBA critic would answer, calling his fearless prediction a hunch, refusing to admit it was really a guess.

Guessing again, foolishly this time, he liked Seattle to come out of the West last fall. He hedged on his Rockets, while acknowledging the upside potential of Horry and Cassell. Houston talk radio lost his number. He, like the rest of America, didn't really believe. Neither, obviously, did the Rockets' front office, which boldly dealt power forward Otis Thorpe to Portland in midstream for the homegrown Drexler, a co-star of Olajuwon's more than a decade earlier at the University of Houston. In hindsight, we doubters of that deal call it visionary.

Now, while Patrick Ewing groused about the Knicks' lack of a shooting

forward, Olajuwon has ascended, not without the necessary help, to a higher spiritual and competitive plane. Not long before the championships, he was an angry, destabilizing presence, at war with his team. Now he is humble and gracious, except when he defends the basket or has the ball.

Memo to those overreacting to the NBA's young and spoiled: people grow.

"This time of my career, I feel younger than ever," Olajuwon, 32, said at the McDonald's Open last weekend in London. "I feel like I have all the training, the experience, the know-how, the maturity, the love of competition. There is direction. There is peace of mind."

In Chicago, Michael Jordan, trained and hungry, has Dennis Rodman to fetch him the ball. Shaquille O'Neal's hand will heal, and Orlando has a whole spring of playoff-mania under its belt. Indiana has more offense. The Los Angeles Lakers are cocky and swift. Phoenix, San Antonio and Seattle can all make their case. They can all tell us how many times the Rockets teetered on the edge of the playoff cliff last spring. But the fact is, the Rockets never went over, and the longer they didn't, the better they got.

Survival builds character. It heightens chemistry. These Rockets have much more of that than anyone else, and enough talent, too. They are highly capable running or in the halfcourt game. Tomjanovich is as much a stickler for defense as Pat Riley. His support players, especially Cassell, in big moments



Olajuwon and Drexler celebrate.

play greater than the sum of their parts.

The Rockets added the burly Mark Bryant to their front court, which allows Horry to favorably match up at small forward. Drexler, 33, feels reborn. Olajuwon, a devout Muslim, sees the light.

"This year, more than ever, I can see how my career is coming together," he said. "It is destiny. The road map is there. I am enjoying the journey."

He said, yes, he burns to three-peat, to be like Mike. This is also the year Olajuwon, a native Nigerian, will play for the U.S. Olympic team. Hakeem of the Dream Team. It rhymes, the way the story flows. This is just a hunch, but it is also more than a guess: The critic, again, likes Houston to win.

the thumb would heal and the fight could go on. Doctors said the thumb had been healing until Monday and Tuesday, when it essentially was rebroken.

"I thought I could sneak it through," Tyson said. "But the pain became too intense in sparring sessions." He said the injury occurred when he struck a sparring partner on his elbow or behind his head.

Marrone said it would be "four to six weeks" before Tyson could spar again. That would push the Tyson-Mathis bout into January or February.

Tyson collected \$25 million in August for seconds. It was too quick, and the opponent too inferior, to tell anything about Tyson's capabilities after the long layoff while he was in prison.

"It's not going to kill me," said Tyson. "I'm not hurting for any money or anything."

■ Bad Sign for King

NEW YORK — A handwriting expert testified that a boxer's signature on two copies of a contract with promoter Don King were identical, supporting a government theory that King faked a contract in order to collect insurance money.

Gus Lesnevich's testimony came as federal prosecutors considered whether to rest after a month of testimony meant to prove King collected \$350,000 illegally from Lloyd's of London. He is charged with mail fraud in an indictment that alleged he faked a contract with Julio Cesar Chavez for a canceled fight to collect training fees that he had never paid to the boxer.

(AP)

Tyson Breaks His Thumb, Cancels Fight With Mathis

Airwaves Clear for Holyfield vs. Bowe

By William Gildea
Washington Post Service

LAS VEGAS — Mike Tyson's scheduled meeting Saturday night with Buster Mathis Jr. was canceled on Tuesday night because of a broken right thumb. Tyson said he suffered the injury in training three weeks ago and reinjured it in sparring sessions Monday and Tuesday.

Tyson called the cancellation of the card to be held at the MGM Grand and televised in the United States by the Fox network "a pretty severe setback."

His co-manager, John Horne, said the fight simply was "postponed," and that Tyson would fight Mathis as soon as he was able.

Tyson's injury leaves Saturday night's third meeting between Riddick Bowe and Evander Holyfield at Caesars Palace free of competition for its pay-per-view telecast. Some associated with that fight were openly jubilant on learning that a news conference had been called at the MGM Grand amid rumors of a cancellation.

"I was really anticipating this fight to go, knowing there was another fight going on across the street," said Tyson. "I thought it would be a grand evening with the two fights going on."

Tyson said the thumb was injured during a sparring session in Ohio three weeks ago, and that two weeks ago he had the thumb examined by two Las Vegas doctors. One, Gary S. Marrone, said X-rays showed a break "between the main joint and the tip of the thumb."

Tyson stopped sparring briefly in the hope that

Nantes Dismisses Aalborg, 2-0

Compiled by Our Staff From Dispatches

Nantes completed the double over the Danish champions Aalborg on Wednesday in their Group A Champions League match, winning 2-0 against 10 men.

The French team endured early Danish pressure in a generally scrappy match not aided by the appalling field in Aal-

SOCER ROUNDUP

borg. However, Nantes took the lead in bizarre fashion from their first corner.

Claude Makelele's 10th minute kick ballooned across the goal and while Aalborg's defense watched, Jean-Michel Ferri headed toward the goal.

The Rangers lost both Goran Petric and defender Steven Wright to injuries by halftime, and with their main offensive hope, England midfielder Paul Gascoigne, failing to produce the goods, Juventus comfortably sat back on their lead.

Juventus struck early after 16 minutes when Goran Petric misread a harmless looking cross into the Rangers' goal area. It drifted over his head and allowed Alessandro del Piero to lash a shot close to the net past Andy Goram.

The Rangers lost both Goram and defender Steven Wright to injuries by halftime, and with their main offensive hope, England midfielder Paul Gascoigne, failing to produce the goods, Juventus comfortably sat back on their lead.

The Danes had several chances to draw even, but Nantes' defense somehow kept the rampant Danes at bay.

The Danes chances evaporated altogether in the 57th minute when the English referee, David Elleray, sent the defender Torben Boye off for a rash though not overly violent challenge on Nantes' playmaker Benoit Caen.

A minute later, Nicolas Quedec made it 2-0. The 23-year-old striker deflected Japeth N'Doram's 30-yard freekick that distracted the Norwegian goalkeeper Thomas Gill, who got a hand on it but not enough to stop it.

Juventus 4, Glasgow Rangers 0: Juventus of Italy maintained its perfect record in

the European Champions League, scoring one goal in the first half and three in the second to defeat the outclassed Glasgow team.

That left the Italian champions with 12 points from four games in Group C and ensured their qualification for the quarterfinals next March. The Rangers were left languishing in the group cellar with just one point from their four games.

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